

LEGISLATIVE BILL 158

Approved by the Governor May 23, 1979

Introduced by Koch, 12

AN ACT to amend sections 18-2101.01, 18-2103, 18-2107, 18-2118, 18-2124, 18-2125, 18-2127, 18-2138, and 18-2144, Reissue Revised Statutes of Nebraska, 1943, relating to cities and villages; to change provisions relating to community development; to authorize certain uses for ad valorem real property taxes; to provide duties; to authorize the Revisor of Statutes to change a term as prescribed; to provide for construction; to provide severability; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 18-2101.01, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

18-2101.01. Cities of all classes and villages of this state are hereby granted power and authority to create a community development agency by ordinance, which agency may consist of the governing body of the city or village or a new or existing municipal division or department, or combination thereof. When such an agency is created, ~~through--the--establishment--of--a--municipal division--or--department--or--combination--thereof,~~ it shall function in the manner prescribed by ordinance and may exercise all of the power and authority granted to an urban renewal authority in sections 18-2101 to 18-2144. Any such city or village is also granted power and authority to do all community development activities, and to do all things necessary to cooperate with the federal government in all matters relating to community development program activities as a grantee, or as an agent or otherwise, under the provisions of the federal Housing and Community Development Act of 1974, Public Law 93-383, 93rd Congress. Whenever such a city exercises the power conferred in this section, it may levy taxes for the exercise of such jurisdiction and authority and ~~may--as--otherwise--provided--by--law--or--home--rule--charter,~~ issue general obligation bonds, general obligation notes, revenue bonds, and revenue notes including general obligation and revenue refunding bonds and notes for the purposes set forth in such sections and under the power granted to any authority described.

Sec. 2. That section 18-2103, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

18-2103. As used in sections 18-2101 to 18-2144, unless the context otherwise requires:

(1) An authority shall mean any urban renewal authority created pursuant to section 18-2102.01, and a city or village which has created a community development agency pursuant to the provisions of section 18-2101.01, and shall not mean a limited urban renewal authority;

(2) Limited urban renewal authority shall mean an urban renewal authority created pursuant to section 18-2102.01, having only one single specific limited pilot project authorized;

(3) City shall mean any city or incorporated village in the state;

(4) Public body shall mean the state, or any municipality, county, township, board, commission, authority, district, or any other political subdivision or public body of the state;

(5) Governing body or local governing body shall mean the city council, board of trustees, or other legislative body charged with governing the municipality;

(6) Mayor shall mean the mayor of the city or chairman of the board of trustees of the village;

(7) Clerk shall mean the clerk of the city or village;

(8) Federal government shall mean the United States of America, or any agency or instrumentality, corporate or otherwise, of the United States of America;

(9) Area of operation shall mean and include the area within the corporate limits of the city and such land outside the city as may come within the purview of section 18-2123;

(10) Substandard areas shall mean an area in which there is a predominance of buildings or improvements, whether nonresidential or residential in character, which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property

by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency and crime, and is detrimental to the public health, safety, morals, or welfare:

(11) Blighted area shall mean an area, which by reason of the presence of a substantial number of deteriorated or deteriorating structures, existence of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of the community, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use;

(12) Redevelopment project shall mean any work or undertaking in one or more urban renewal areas: (a) To acquire substandard or blighted areas or portions thereof, including lands, structures, or improvements the acquisition of which is necessary or incidental to the proper clearance, development, or redevelopment of such substandard or blighted areas; (b) to clear any such areas by demolition or removal of existing buildings, structures, streets, utilities, or other improvements thereon and to install, construct, or reconstruct streets, utilities, parks, playgrounds, and site other improvements essential to the preparation of sites for uses in accordance with a redevelopment plan; (c) to sell, lease, or otherwise make available land in such areas for residential, recreational, commercial, industrial, or other use uses, including parking or other facilities functionally related or subordinate to such uses, or for public use or to retain such land for public use, in accordance with a redevelopment plan; and may also include the preparation of the redevelopment plan, the planning, survey, and other work incident to a redevelopment project and the preparation of all plans and arrangements for carrying out a redevelopment project; (d) to dispose of all real and personal property or any interest in such property, or assets, cash, or other funds held or used in connection with residential, recreational, commercial, industrial, or other uses, including parking or other facilities functionally

related or subordinate to such uses, or any public use specified in a redevelopment plan or project, except that such disposition shall be at its fair value for uses in accordance with the redevelopment plan; (e) to acquire real property in an urban renewal area which, under the redevelopment plan, is to be repaired or rehabilitated for dwelling use or related facilities, repair or rehabilitate the structures, and resell the property; and (e) (f) to carry out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements in accordance with the redevelopment plan;

(13) Redevelopment plan shall mean a plan, as it exists from time to time for one or more urban renewal areas, or for a redevelopment project, which plan (a) shall conform to the general plan for the municipality as a whole; and (b) shall be sufficiently complete to indicate such land acquisition, demolition and removal of structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the urban renewal area, zoning and planning changes, if any, land uses, maximum densities, and building requirements;

(14) Redeveloper shall mean any person, partnership, or public or private corporation or agency which shall enter or propose to enter into a redevelopment contract;

(15) Redevelopment contract shall mean a contract entered into between an authority and a redeveloper for the redevelopment of an area in conformity with a redevelopment plan;

(16) Real property shall mean all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest and right, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage, or otherwise, and the indebtedness secured by such liens;

(17) Bonds shall mean any bonds, including refunding bonds, notes, interim certificates, debentures, or other obligations issued pursuant to the provisions of sections 18-2101 to 18-2144;

(18) Obligee shall mean any bondholder, agents, or trustees for any bondholders, or lessor demising to any authority, established pursuant to the provisions of section 18-2101.01, property used in connection with a redevelopment project, or any assignee or assignees of

such lessor's interest or any part thereof, and the federal government when it is a party to any contract with such authority;

(19) Person shall mean any individual, firm, partnership, corporation, company, association, joint stock association, or body politic; and shall include any trustee, receiver, assignee, or other similar representative thereof; and

(20) Urban renewal area shall mean a substandard or a blighted area or a combination thereof which the urban renewal authority designates as appropriate for a renewal project; and -

(21) Redevelopment project valuation shall mean the valuation for assessment of the taxable real property in a redevelopment project last certified for the year prior to the effective date of the provision authorized in section 10 of this act.

Sec. 3. That section 18-2107, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

18-2107. An authority shall constitute a public body corporate and politic, exercising public and essential governmental functions, and having all the powers necessary or convenient to carry out and effectuate the purposes and provisions of sections 18-2101 to 18-2144 and sections 10 to 14 of this act, including the powers in subdivisions (1) to (13) of this section in addition to others granted by the provisions of sections 18-2101 to 18-2144 and sections 10 to 14 of this act:

(1) To sue and to be sued; to have a seal and to alter the same at pleasure; to have perpetual succession; to make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority; and to make and from time to time amend and repeal by-laws, rules and regulations, not inconsistent with sections 18-2101 to 18-2144, to carry out the provisions of sections 18-2101 to 18-2144.

(2) To prepare or cause to be prepared and recommend redevelopment plans to the governing body of the city and to undertake and carry out redevelopment projects within its area of operation.

(3) To arrange or contract for the furnishing or repair, by any person or agency, public or private, of services, privileges, works, streets, roads, public

utilities, or other facilities for or in connection with a redevelopment project; and, notwithstanding anything to the contrary contained in sections 18-2101 to 18-2144 or any other provision of law, to agree to any conditions that it may deem reasonable and appropriate attached to federal financial assistance and imposed pursuant to federal law relating to the determination of prevailing salaries or wages or compliance with labor standards, in the undertaking or carrying out of a redevelopment project, and to include in any contract let in connection with such a project, provisions to fulfill such of said conditions as it may deem reasonable and appropriate.

(4) Within its area of operation, to purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, eminent domain, or otherwise, any real or personal property or any interest therein, together with any improvements thereon, necessary or incidental to a redevelopment project; to hold, improve, clear, or prepare for redevelopment any such property; to sell, lease for a term not exceeding ninety-nine years, exchange, transfer, assign, subdivide, retain for its own use, mortgage, pledge, hypothecate, or otherwise encumber or dispose of any real or personal property or any interest therein; to enter into contracts with redevelopers of property containing covenants, restrictions, and conditions regarding the use of such property for residential, commercial, industrial, or recreational purposes, or for public purposes in accordance with the redevelopment plan and such other covenants, restrictions, and conditions as the authority may deem necessary to prevent a recurrence of substandard or blighted areas or to effectuate the purposes of sections 18-2101 to 18-2144; to make any of the covenants, restrictions, or conditions of the foregoing contracts covenants running with the land, and to provide appropriate remedies for any breach of any such covenants or conditions, including the right in the authority to terminate such contracts and any interest in the property created pursuant thereto; to borrow money and issue bonds and provide security for loans or bonds; to insure or provide for the insurance of any real or personal property or operation of the authority against any risks or hazards, including the power to pay premiums on any such insurance; and to enter into any contracts necessary to effectuate the purposes of sections 18-2101 to 18-2144; Provided, that no statutory provision with respect to the acquisition, clearance, or disposition of property by other public bodies shall restrict an authority exercising powers hereunder, in such functions, unless the Legislature shall specifically so state.

(5) To invest any funds held in reserves or sinking funds or any funds not required for immediate disbursement, in property or securities in which savings banks, or banks, may legally invest funds subject to their control; to redeem its bonds at the redemption price established therein or to purchase its bonds at less than redemption price, all bonds so redeemed or purchased to be canceled.

(6) To borrow money and to apply for and accept advances, loans, grants, contributions, and any other form of financial assistance from the federal government, the state, county, municipality, or other public body or from any sources, public or private, including charitable funds, foundations, corporations, trusts, or bequests, for the purposes of sections 18-2101 to 18-2144, to give such security as may be required and to enter into and carry out contracts in connection therewith; and authority, notwithstanding the provisions of any other law, may include in any contract for financial assistance with the federal government for a redevelopment project such conditions imposed pursuant to federal law as the authority may deem reasonable and appropriate and which are not inconsistent with the purposes of sections 18-2101 to 18-2144.

(7) Acting through one or more members of an authority or other persons designated by the authority, to conduct examinations and investigations and to hear testimony and take proof under oath at public or private hearings on any matter material for its information; to administer oaths, and to issue commissions for the examination of witnesses who are outside of the state or unable to attend before the authority, or excused from attendance; to make available to appropriate agencies or public officials, including those charged with the duty of abating or requiring the correction of nuisances or like conditions or of demolishing unsafe or insanitary structures or eliminating conditions of blight within its area of operation, its findings and recommendations with regard to any building or property where conditions exist which are dangerous to the public health, safety, morals or welfare.

(8) Within its area of operation, to make or have made all surveys, appraisals, studies, and plans, but not including the preparation of a general plan for the community, necessary to the carrying out of the purposes of sections 18-2101 to 18-2144 and to contract or cooperate with any and all persons or agencies, public or private, in the making and carrying out of such surveys, appraisals, studies, and plans.

(9) To prepare plans and provide reasonable assistance for the relocation of families, business concerns and others displaced from a redevelopment project area to permit the carrying out of the redevelopment project, to the extent essential for acquiring possession of and clearing such area or parts thereof and to make relocation payments to or with respect to such persons for moving expenses and losses of property for which reimbursement or compensation is not otherwise made, including the making of such payments financed by the federal government.

(10) To make such expenditures as may be necessary to carry out the purposes of sections 18-2101 to 18-2144; and to make expenditures from funds obtained from the federal government without regard to any other laws pertaining to the making and approval of appropriations and expenditures.

(11) To certify annually in the month of July of each year to the governing body of the city the amount of tax to be levied for the succeeding fiscal year for urban renewal purposes, not to exceed three-fourths of one mill on the dollar upon the assessed value of all the taxable property in such city, except intangible property; and the governing body shall levy and collect the taxes so certified at the same time and in the same manner as other city taxes are levied and collected, and the proceeds of such taxes, when due and as collected, shall be set aside and deposited in the special account or accounts in which other revenue of the authority is deposited, and such proceeds shall be employed to assist in the defraying of all expense of the authority. If in any year the full amount so certified and collected is not needed for the current purposes of such authority, the balance shall be credited to reserves of such authority, including sinking funds.

(12) To exercise all or any part or combination of powers herein granted.

(13) To plan, undertake, and carry out neighborhood development programs consisting of redevelopment project undertakings and activities in one or more urban renewal areas which are planned and carried out on the basis of annual increments in accordance with the provisions of this act for planning and carrying out redevelopment projects.

Sec. 4. That section 18-2112, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

18-2118. An authority may sell, lease for a term not exceeding ninety-nine years, exchange, or otherwise transfer real property or any interest therein in a redevelopment project area to any redeveloper for residential, recreational, commercial, industrial, or other uses, including parking or other facilities functionally related or subordinate to such uses, or for public use in accordance with the redevelopment plan, subject to such covenants, conditions, and restrictions as it may deem to be in the public interest or to carry out the purposes of sections 18-2101 to 18-2144. Such real property shall be sold, leased, or transferred at its fair value for uses in accordance with the redevelopment plan, ~~notwithstanding such value may be less than the cost of acquiring and preparing such property for development.~~ In determining the fair value of real property for uses in accordance with the redevelopment plan, an authority shall take into account and give consideration to the uses and purposes required by such plan; the restrictions upon, and the covenants, conditions, and obligations assumed by the redeveloper of such property; the objectives of the redevelopment plan for the prevention of the recurrence of substandard or blighted areas; and such other matters as the authority shall specify as being appropriate. In fixing rentals and selling prices, an authority shall give consideration to appraisals of the property for such uses made by land experts employed by the authority.

Sec. 5. That section 18-2124, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

18-2124. An authority shall have power to issue bonds from time to time in its discretion for any of its corporate purposes, including the payment of principal and interest upon any advances for surveys and plans for redevelopment projects. An authority shall also have power to issue refunding bonds for the purpose of paying, or retiring, or otherwise refinancing, or in exchange for any or all of the principal or interest upon bonds previously issued by it. An authority may issue such types of bonds as it may determine, including, without limiting the generality of the foregoing, bonds on which the principal and interest are payable: (1) Exclusively from the income, proceeds, and revenue of the redevelopment project financed with proceeds of such bonds; (2) exclusively from the income, proceeds, and revenue of any of its redevelopment projects whether or not they are financed in whole or in part with the proceeds of such bonds; (3) exclusively from its revenue and income, including such tax revenue or receipts as may be herein authorized, including those which may be

pledged under section 13 of this act, and from such grants and loans as may be received; or (4) from all or part of the income, proceeds and revenue enumerated in subdivisions (1), (2), and (3) of this section; Provided, that any such bonds may be additionally secured by a pledge of any loan, grant, or contributions, or parts thereof, from the federal government or other source, or a mortgage of any redevelopment project or projects of the authority; that the authority shall not have the power to pledge the credit or taxing power of the state or any political subdivision thereof, except such tax receipts as may be authorized herein under this section or pledged under section 13 of this act, or to place any lien or encumbrance on any property owned by the state, county, or city used by the authority.

Sec. 6. That section 18-2125, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

18-2125. Neither the members of an authority nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. The bonds and other obligations of the authority, and such bonds and obligations shall so state on their face, shall not be a debt of the city and the city shall not be liable thereon on such bonds, except to the extent authorized by sections 10 to 13 of this act, nor in any event shall such bonds or obligations be payable out of any funds or properties other than those of said authority acquired for the purposes of sections 18-2101 to 18-2144, except to the extent authorized by sections 10 to 13 of this act. The Except to the extent otherwise authorized, the bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Bonds of an authority are declared to be issued for an essential public and governmental purpose and to be public instrumentalities and, together with interest thereon and income therefrom, shall be exempt from all taxes. All bonds shall be general obligations of the authority issuing same and shall be payable out of any revenue, income, receipts, proceeds, or other money of the authority, except as may be otherwise provided in the instruments themselves.

An authority shall have power from time to time to issue bond anticipation notes, referred to as notes herein, and from time to time to issue renewal notes, such notes in any case to mature not later than thirty months from the date of incurring the indebtedness represented thereby in an amount not exceeding in the aggregate at any time outstanding the amount of bonds

then or theretofore authorized. Payment of such notes shall be made from any money or revenue which the authority may have available for such purpose or from the proceeds of the sale of bonds of the authority, or such notes may be exchanged for a like amount of such bonds. The authority may pledge such money or revenue of the authority, subject to prior pledges thereof, if any, for the payment of such notes, and may in addition secure the notes in the same manner as herein provided for bonds. All notes shall be issued and sold in the same manner as bonds, and any authority shall have power to make contracts for the future sale from time to time of notes on terms and conditions stated in such contracts, and the authority shall have power to pay such consideration as it shall deem proper for any commitments to purchase notes and bonds in the future. Such notes shall also be collaterally secured by pledges and deposits with a bank or trust company, in trust for the payment of such notes, of bonds in an aggregate amount at least equal to the amount of such notes and, in any event, in an amount deemed by the issuing authority sufficient to provide for the payment of the notes in full at the maturity thereof. The authority may provide in the collateral agreement that the notes may be exchanged for bonds held as collateral security for the notes, or that the trustee may sell the bonds if the notes are not otherwise paid at maturity, and apply the proceeds of such sale to the payment of the notes. Such notes shall bear interest at a rate set by the authority, and shall be sold at such price as shall cause an interest cost thereon not to exceed such rate.

It is the intention hereof that any pledge of revenue, income, receipts, proceeds, or other money made by an authority for the payment of bonds or notes shall be valid and binding from the time such pledge is made; that the revenue, income, receipts, proceeds, and other money so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without the physical delivery thereof or further act, and that the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the authority irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be recorded.

Sec. 7. That section 18-2127, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

~~18-2127. The bonds shall be sold at not less than par at public sale held after notice published once~~

at least ten days prior to such sale in a legal newspaper having a general circulation in the area of operation and in such other medium of publication as the authority may determine; Provided, that such bonds may be sold to the federal government at private sale at not less than par, and, in the event less than all of the bonds authorized in connection with any project or projects are sold to the federal government, the balance of such bonds may be sold at private sale at not less than par at an interest cost to the authority of not to exceed the interest cost to the authority of the portion of the bonds sold to the federal government. The bonds may be sold by the authority in such manner and for such price as the authority may determine, at par or above par, at private sale or at public sale after notice published prior to such sale in a legal newspaper having general circulation in the municipality, or in such other medium of publication as the authority may deem appropriate, or may be exchanged by the authority for other bonds issued by it under sections 18-2101 to 18-2144, Reissue Revised Statutes of Nebraska, 1943, and amendments thereto, and sections 10 to 14 of this act. Bonds which are issued under this section may be sold by the authority to the federal government at private sale at par or above par, and, in the event that less than all of the authorized principal amount of such bonds is sold by the authority to the federal government, the balance or any portion of the balance may be sold by the authority at private sale at par or above par.

Sec. 8. That section 18-2138, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

18-2138. In addition to any other provisions governing any public body set forth in sections 18-2101 to 18-2144, Reissue Revised Statutes of Nebraska, 1943, and amendments thereto and sections 10 to 14 of this act, for the purpose of aiding and cooperating in the planning, undertaking, or carrying out of a redevelopment project located within the area in which it is authorized to act, any public body may, upon such terms, with or without consideration, as it may determine: (1) Dedicate, sell, convey, or lease any of its interest in any property, or grant easements, licenses, or any other rights or privileges therein to an authority; (2) cause parks, playgrounds, recreational, community, educational, water, sewer or drainage facilities, or any other works which it is otherwise empowered to undertake, to be furnished in connection with a redevelopment project; (3) furnish, dedicate, close, vacate, pave, install, grade, regrade, plan, or replan streets, roads, sidewalks, ways, or other places, which it is otherwise empowered to

undertake; (4) plan or replan, zone or rezone any part of the public body, or make exceptions from building regulations and ordinances if such functions are of the character which the public body is otherwise empowered to perform; (5) cause administrative and other services to be furnished to the authority of the character which the public body is otherwise empowered to undertake or furnish for the same or other purposes; (6) incur the entire expense of any public improvements made by such public body in exercising the powers granted in this section; (7) do any and all things necessary or convenient to aid and cooperate in the planning or carrying out of a redevelopment plan; (8) lend, grant, or contribute funds to an authority; (9) employ any funds belonging to or within the control of such public body, including funds derived from the sale or furnishing of property, service, or facilities to an authority, in the purchase of the bonds or other obligations of an authority and, as the holder of such bonds or other obligations, exercise the rights connected therewith; and (10) enter into agreements, which may extend over any period, notwithstanding any provision or rule of law to the contrary, with an authority respecting action to be taken by such public body pursuant to any of the powers granted by the provisions of sections 18-2101 to 18-2144. If at any time title to, or possession of, any redevelopment project is held by any public body or governmental agency, other than the authority, authorized by law to engage in the undertaking, carrying out or administration of redevelopment projects, including any agency or instrumentality of the United States of America, the provisions of such agreements shall inure to the benefit of and may be enforced by such public body or governmental agency.

Sec. 9. That section 18-2144, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

18-2144. Sections 18-2101 to 18-2144 shall be full authority for the creation of an urban renewal authority by a city or village, and for the exercise of the powers therein granted to a city or village and to such authority, and shall also be full authority for the creation of a community development agency by a city or village, and for the exercise of the powers therein granted to a city or village for such purpose, and no action, proceeding, or election shall be required prior to the creation of an urban renewal authority or community development agency hereunder or to authorize the exercise of any of the powers granted in such sections, except as specifically provided in such sections, any provision of law or of any city charter or

village law to the contrary notwithstanding.

No proceedings for the issuance of bonds of an authority or of a city or village for its community development agency shall be required other than those required by the provisions of sections 18-2101 to 18-2144; and the provisions of all other laws and city charters, if any, relative to the terms and conditions for the issuance, payment, redemption, registration, sale or delivery of bonds of public bodies, corporations, or political subdivisions of this state shall not be applicable to bonds issued by an authority pursuant to sections 18-2101 to 18-2144, ~~but shall be applicable to bonds issued by a city or village exercising the authority of such sections through a community development agency.~~

Insofar as the provisions of sections 18-2101 to 18-2144 are inconsistent with the provisions of any other law or of any city charter, if any, the provisions of sections 18-2101 to 18-2144 shall be controlling.

Sec. 10. Any redevelopment plan as originally approved or as later modified pursuant to section 18-2117, Reissue Revised Statutes of Nebraska, 1943, may contain a provision that any ad valorem tax levied upon real property in a redevelopment project for the benefit of any public body shall be divided, for a period not to exceed fifteen years after the effective date of such a provision by the governing body, as follows:

(1) That portion of the ad valorem tax which is produced by the levy at the rate fixed each year by or for each such public body upon the redevelopment project valuation shall be paid into the funds of each such public body in the same proportion as are all other taxes collected by or for the body; and

(2) That portion of the ad valorem tax on real property in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the authority to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such authority for financing or refinancing, in whole or in part, a redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premiums due, have been paid, the authority shall so notify the county assessor and county treasurer and all ad valorem taxes upon taxable real property in such a redevelopment project shall be paid into the funds

of the respective public bodies.

Sec. 11. Commencing on the effective date of the provision outlined in section 10 of this act, the county assessor, or county clerk where he or she is ex officio county assessor, of the county in which the redevelopment project is located, shall transmit to an authority and the county treasurer, upon request of the authority, the redevelopment project valuation and shall annually certify to the authority and the county treasurer the current valuation for assessment of taxable real property in the redevelopment project. The county assessor shall undertake, upon request of an authority, an investigation, examination, and inspection of the taxable real property in the redevelopment project and shall reaffirm or revalue the current value for assessment of such property in accordance with the findings of such investigation, examination, and inspection.

Sec. 12. In each year after the determination of a redevelopment project valuation as outlined in section 11 of this act, the county assessor and the county board of equalization shall include no more than the redevelopment project valuation of the taxable real property in the redevelopment project in the assessed valuation upon which is computed the mill rates of all taxes levied by any public body on such project. In each year for which the current assessed valuation on taxable real property in the redevelopment project exceeds the redevelopment project valuation, the county treasurer shall remit to the authority, instead of to any public body, that proportion of all ad valorem taxes on real property paid that year on the redevelopment project which such excess valuation bears to the current assessed valuation.

Sec. 13. In the proceedings for the issuance of bonds, the making of loans or advances of money, or the incurring of any indebtedness, whether funded, refunded, assumed, or otherwise, by an authority to finance or refinance, in whole or in part, a redevelopment project, the portion of taxes mentioned in subdivision (2) of section 10 of this act shall be pledged for the payment of the principal of, premium, if any, and interest on such bonds, loans, notes, advances, or indebtedness. In the event the annual receipts from the portion of taxes pledged pursuant to this section for any redevelopment project exceeds amounts necessary for the annual payment of the principal, premiums, and interest on the bonds, loans, notes, advances, or indebtedness on such project, such excess amount may from time to time be used as a pledge for payment of the principal of, premium, if any,

and interest on any other bonds, loans, notes, advance of money, or indebtedness as determined to be prudent in the discretion of the authority in carrying out the purposes of this act, except that no such pledge shall be superior to any prior pledge of such taxes. Any such pledge for payment shall be made by written agreement executed by the authority and the governing body and filed with the county assessor and county treasurer.

Sec. 14. Any redeveloper entering into a contract with an authority for the undertaking of a redevelopment project pursuant to a redevelopment plan which contains the provision outlined in section 10 of this act shall be required before commencing work to execute, in addition to all bonds that may be required, a penal bond with good and sufficient surety to be approved by an authority, conditioned that such contractor shall at all times promptly make payments of all amounts lawfully due to all persons supplying or furnishing the contractor or his or her subcontractors with labor or materials performed or used in the prosecution of the work provided for in such contract, and will indemnify and save harmless the authority to the extent any payments in connection with the carrying out of such contracts which an authority may be required to make under the law.

Sec. 15. Whenever the term urban renewal or words referring to such term are used in sections 18-2101 to 18-2146, Reissue Revised Statutes of Nebraska, 1943, and amendments thereto, they shall, after the effective date of this act, be construed to mean the terms community redevelopment or words referring to such term. The Revisor of Statutes shall substitute the appropriate term or words in accordance with this section.

Sec. 16. The powers conferred by this act shall be in addition and supplemental to the powers conferred by sections 18-2101 to 18-2144, Reissue Revised Statutes of Nebraska, 1943, and by any other law and shall be independent of and in addition to any other provision of the laws of the State of Nebraska with reference to the matters covered hereby. The provisions of this act and all grants of power, authority, rights, or discretion to a city or village and to an authority created under the provisions of this act shall be liberally construed, and all incidental powers necessary to carry into effect the provisions of such sections are hereby expressly granted to and conferred upon a city or village or an authority created pursuant to sections 18-2101 to 18-2144, Reissue Revised Statutes of Nebraska, 1943, and this act.

Sec. 17. If any section in this act or any part of any section shall be declared invalid or unconstitutional, such declaration shall not affect the validity or constitutionality of the remaining portions thereof.

Sec. 18. That original sections 18-2101.01, 18-2103, 18-2107, 18-2118, 18-2124, 18-2125, 18-2127, 18-2138, and 18-2144, Reissue Revised Statutes of Nebraska, 1943, are repealed.