

URBAN AFFAIRS COMMITTEE

NEBRASKA LEGISLATURE

SUMMARY OF 2016 LEGISLATION

One Hundred Fourth Legislature Second Session

Committee Members

Senator Sue Crawford, Chairperson, District 45
Senator John McCollister, Vice-Chairperson, District 20
Senator Colby Coash, District 27
Senator Laura Ebke, District 32
Senator Matt Hansen, District 26
Senator Sara Howard, District 9
Senator Dan Hughes, District 44

Committee Staff

Trevor Fitzgerald, Legal Counsel
Chris Triebsch, Committee Clerk

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**LIST OF BILLS AND RESOLUTIONS REFERENCED TO THE
URBAN AFFAIRS COMMITTEE**

One Hundred Fourth Legislature, Second Session

2015 Carryover Bills

- LB 131** (Craighead) Provide restrictions on and requirements for sanitary and improvement districts subject to municipal annexation
Enacted (page 7)
- LB 238** (Groene) Change provisions relating to tax-increment financing under the Community Development Law
Held in Committee (page 20)
- LB 295** (Scheer) Require notice and a comment period regarding zoning ordinances affecting certain extraterritorial zoning jurisdictions
Enacted (page 8)
- LB 300** (Schumacher) Change provisions relating to enforcement of ordinances by sanitary and improvement districts
Held in Committee (page 20)
- LB 378** (Groene) Change requirements for voter approval of borrowing money for public improvements by a city of the first class
Enacted (page 8)
- LB 445** (Groene) Authorize audits of redevelopment plans that use tax-increment financing
Held in Committee (page 20)
- LB 596** (Davis) Change the Community Development Law and create the Tax-Increment Financing Division of the Auditor of Public Accounts
Held in Committee (page 21)

2016 Introduced Bills and Resolutions

- LB 699** (Mello) Change the Nebraska Municipal Land Bank Act
Enacted (page 9)

- LB 700** (Mello) Require notice to neighborhood associations for changes to business improvement districts and zoning ordinances in cities of the metropolitan class
Enacted (page 9)
- LB 703** (Urban Affairs Committee) Change provisions relating to nuisances in cities and villages
Enacted (page 10)
- LB 704** (Urban Affairs Committee) Change building code provisions applicable to political subdivisions
Enacted (pages 10-11)
Portions/Provisions of LB 705 were amended into LB 704
- LB 705** (Urban Affairs Committee) Change provisions relating to cities of the first class
General File (page 17)
Portions/Provisions of LB 705 were amended into LB 704
- LB 719** (Groene) Change provisions relating to undeveloped vacant land under the Community Development Law
Held in Committee (page 22)
- LB 806** (Mello) Adopt the Riverfront Development District Act
General File (pages 17-18)
- LB 808** (Hansen) Change provisions relating to amending an economic development program under the Local Option Municipal Economic Development Act
General File (page 18)
Portions/Provisions of LB 808 were amended into LB 1059
- LB 857** (Hadley) Change population thresholds for a city of the first class to employ a full-time fire chief
Enacted (page 11)
- LB 860** (Hughes) Add a type of economic development program under the Local Option Municipal Economic Development Act
General File (pages 18-19)
Portions/Provisions of LB 860 were amended into LB 1059
- LB 864** (Crawford) Change provisions relating to a municipality requesting additional extraterritorial zoning jurisdiction
Enacted (page 11)

- LB 865** (Crawford) Change provisions relating to handicapped parking
Enacted (pages 11-12)
- LB 875** (Murante) Change conditions for approval of a planned unit development for certain cities of the second class and villages
Enacted (page 12)
- LB 948** (Morfeld) Change an application period limitation for the designation of enterprise zones as prescribed
Enacted (pages 12-13)
- LB 1012** (Mello) Adopt the Property Assessed Clean Energy Act
Enacted (pages 13-15)
- LB 1042** (Friesen) Change provisions relating to tax-increment financing
Indefinitely Postponed (page 23)
- LB 1059** (Crawford) Require certain disclosures under the Community Development Law and the Local Option Municipal Economic Development Act
Enacted (pages 15-16)
Portions/Provisions of LB 808 and LB 860 were amended into LB 1059
- LR 394CA** (Hughes) Constitutional amendment to authorize taxing bodies to exclude their taxes from pledges made by cities to pay indebtedness on redevelopment projects
Indefinitely Postponed (page 24)
- LR 399CA** (Davis) Constitutional amendment to require cities and villages to obtain voter approval before pledging taxes for the payment of indebtedness related to redevelopment projects
Indefinitely Postponed (page 24)

BILL SUMMARIES: 2015 CARRYOVER BILLS ENACTED

LB 131 (Craighead) Provide restrictions on and requirements for sanitary and improvement districts subject to municipal annexation

LB 131 provides that if a sanitary and improvement district (SID) receives notice that a municipality is proposing to annex territory including the SID or a portion of the SID, that the SID shall be prohibited from spending assets that were used by the municipality to determine the feasibility of the annexation.

The committee amendment, AM 405, struck the original sections of the bill and replaced them with the following provisions:

The amendment provided that if a SID receives notice that a municipality is proposing to annex territory within the SID, the SID is prohibited from spending assets for a period of 90 days, except for the following: 1) interest and principal payments on outstanding bonds; 2) interest and principal payments on outstanding construction fund warrants; 3) interest and principal payments on outstanding general fund warrants; 4) payment or issuance of warrants for services, work, labor, or materials ordered or contracted for by the SID prior to receiving notice of the proposed annexation; 5) payment or issuance of warrants for expenses that are statutorily-required, to address an emergency, or for construction projects for which the bidding process was already begun by the SID prior to receiving notice of the proposed annexation; or 6) payment or issuance of warrants for other purposes as approved by the city finance director or other authorized representative of the municipality.

AM 405 also provided that if a SID plans to commence a construction project for which the bidding process has not yet begun prior to receiving notice of the proposed annexation, the SID must submit the proposed plans and/or contract to the municipality and receive municipal approval prior to commencing the project.

On Select File, the bill was amended with AM 2047, which incorporated the provisions of LB 827 (as amended by AM 1912), a bill that was heard by the Government, Military, and Veterans Affairs Committee. LB 827 grants county treasurers the authority to collect fees for services rendered to SIDs.

LB 295 (Scheer) Require notice and a comment period regarding zoning ordinances affecting certain extraterritorial zoning jurisdictions

LB 295 requires that prior to the enforcement of any ordinances, bylaws, rules, regulations, and resolutions with its extraterritorial zoning jurisdiction (ETJ), a municipality has to receive approval of the county board in which the ETJ is located.

The committee amendment, AM 323, struck the original sections of the bill and replaced them with the following provisions:

The amendment required that a city of the first class, city of the second class, or village provide the county board of a county in which the municipality's ETJ is located written notice of and the opportunity to comment on proposed changes to zoning ordinances within the ETJ.

The provisions of AM 323 do not apply to cities or villages located in a county with a population greater than 100,000 or counties where the city and the county have a joint planning commission or joint planning department.

On General File, the bill was further amended with AM 556, which clarified that once a county board had submitted comments or recommendations to the city or village, the city or village could take action before the expiration of the 30-day comment period.

LB 378 (Groene) Change requirements for voter approval of borrowing money for public improvements by a city of the first class

LB 378 requires that a city of the first class identify on the ballot the specific type of financing being used for the purpose of purchasing and improving land for parks and recreational facilities. The bill also requires that if the city decides to change the type of financing being used, the proposal to refinance must be placed on the ballot.

The committee amendment, AM 637, provided that a proposal to refinance would only have to be placed on the ballot if the type of security was being changed from revenue bonds to general obligation bonds.

BILL SUMMARIES: 2016 BILLS ENACTED

LB 699 (Mello) Change the Nebraska Municipal Land Bank Act

LB 699 makes several changes to the Nebraska Municipal Land Bank Act: 1) changing requirements related to land bank board members; 2) clarifying that municipalities may include use for urban agricultural activities among the hierarchical ranking of priorities established for a land bank; and 3) changing the due date and reporting requirements for the annual report of a land bank.

The committee amendment, AM 1861, added a requirement that the board of a land bank include one member of the governing body of the municipality that created the land bank as a non-voting member. In cases where a land bank was created by multiple municipalities, the governing body of each municipality that created the land bank would have one member of the board as a non-voting member.

LB 700 (Mello) Require notice to neighborhood associations for changes to business improvement districts and zoning ordinances in cities of the metropolitan class

LB 700 expands the requirements for municipalities to provide public notices to neighborhood associations that register with the municipality to receive planning notices.

The bill creates two additional notice requirements: 1) cities of the metropolitan class are required to provide notice of the adoption or amendment of a zoning ordinance to registered neighborhood associations whose area of concern is located in whole or in part within the area included in the ordinance; and 2) cities are required to provide notice of the establishment or expansion of a business improvement district to registered neighborhood associations whose area of concern is located in whole or in part within a one-mile radius of the existing or proposed boundaries of the district.

The committee amendment, AM 1889, provided that a city of the metropolitan class would not be required to provide notice of the amendment of a zoning ordinance that serves only to correct a misspelling or other typographical error.

LB 703 (Urban Affairs Committee) Change provisions relating to nuisances in cities and villages

LB 703 amends the notice and appeal procedures for obstruction-related nuisances in cities of the first class, cities of the second class, and villages. Current law allows an appeal but does not specify the appeal procedures.

The notice and appeal procedures for obstruction-related nuisances under the bill mirror the current notice and appeal procedures for weeds and litter-related nuisances in cities of the first class, cities of the second class, and villages.

The committee amendment, AM 1877, clarified that if no appeal is filed, the city or village may abate the nuisance.

LB 704 (Urban Affairs Committee) Change building code provisions applicable to political subdivisions

LB 704 makes a series of technical changes to the building code statutes: 1) clarifying that local building or construction codes must be adopted and enforced as provided under the Building Construction Act; 2) clarifying that counties and municipalities must keep a copy of their local building code available for use and examination by the public as long as the code is in effect; 3) clarifying that only counties and municipalities may adopt a local building code; 4) defining “component” for purposes of the Building Construction Act; 5) streamlining the process for local building code adoption, allowing counties and municipalities to either adopt the state building code or a code that conforms generally with the state building code; 6) clarifying that a prior edition of a component of the state building code does not conform generally with the state building code; 7) striking language that provided for unconstitutional delegation of legislative authority by municipalities; and 8) repealing duplicate language.

On Select File, the bill was amended with AM 2274, which incorporated the provisions of another bill heard by the committee, LB 705 (as amended by AM 1884).

Provisions of LB 705

LB 705, as amended, modernizes and updates statutes governing cities of the first class.

The bill amends sections of statute in Chapter 16 to make a variety of “clean-up” changes: 1) changing and correcting terminology; 2) changing subject-verb agreement; 3) changing references to improvement districts; 4) clarifying references to cities’ extraterritorial zoning jurisdiction (ETJ) or city limits; 5) clarifying references to legal newspapers; 6) correcting references to city officials; 7) correcting gender references; 8) correcting internal statutory references; 9) eliminating run-on sentences; 10) harmonizing references to other statutory sections within Chapter 16; and 11) replacing or eliminating antiquated, obsolete, or unnecessary language.

LB 857 (Hadley) Change population threshold for a city of the first class to employ a full-time fire chief

LB 857 increases the population threshold for cities of the first class that are required to employ a full-time paid fire chief from 37,500 to 45,000.

The committee amendment, AM 2240, changed the new population threshold in the bill from 45,000 to 41,000.

LB 864 (Crawford) Change provisions relating to a municipality requesting additional extraterritorial zoning jurisdiction

LB 864 changes provisions that allow cities of the first class, cities of the second class, and villages to request additional extraterritorial zoning jurisdiction (ETJ) authority from a county.

Under current law, if territory requested by a city or village is within one-half mile of another city or village’s ETJ, the county is prohibited from ceding ETJ authority over that territory to the city or village. LB 864 allows the county to cede ETJ authority over such territory if the other city or village adopts a resolution in support of the request.

LB 865 (Crawford) Change provisions relating to handicapped parking

LB 865 amends Nebraska's handicapped parking statutes to change the definition of handicapped or disabled person. Under the bill, individuals who are unable to travel more than 200 feet without stopping would meet the definition of handicapped or disabled person, and would be eligible to apply for a handicapped or disabled parking permit.

LB 865 also repeals obsolete language in Nebraska's handicapped parking statutes.

LB 875 (Murante) Change conditions for approval of a planned unit development for certain cities of the second class and villages

LB 875 changes the procedure for approval of a planned unit development by cities of the second class and villages located in whole or in part within the boundaries of a county having a population greater than 100,000 and less than 200,000.

Currently, cities of the second class and villages located in a county that has adopted a comprehensive development plan are required to receive county approval prior to approving a planned unit development within their extraterritorial zoning jurisdiction (ETJ). Under LB 875, cities of the second class and villages located in whole or in part within the boundaries of a county having a population greater than 100,000 and less than 200,000 would not have to obtain county approval, but the planned unit development would still be submitted for review by the county planning commission.

The committee amendment, AM 1919, changed the submission requirement from the county planning commission to the county planning department and public works department.

LB 948 (Morfeld) Change an application period limitation for the designation of enterprise zones as prescribed

LB 948 amends the Enterprise Zone Act to allow an additional 120-day application period for the designation of enterprise zones by the Department of Economic Development.

In 2014, the Enterprise Zone Act was re-activated, allowing for the creation of up to five enterprise zones by the Department of Economic Development during a set application period that ended on July 6, 2015. The Department designated three enterprise zones during that period, and LB 948 would authorize the Department to accept additional applications for enterprise zones for a period of 120 days, allowing the designation of up to two additional enterprise zones.

The committee amendment, AM 2014, eliminated the 120-day requirement, allowing the Department of Economic Development to establish a period of time within which to accept additional applications for the designation of enterprise zones.

LB 1012 (Mello) Adopt the Property Assessed Clean Energy Act

LB 1012 adopts the Property Assessed Clean Energy (PACE) Act. PACE is a financing mechanism that allows municipalities to finance the up-front costs of energy efficiency and renewable energy improvements on commercial, industrial, and residential properties.

Under the Act, municipalities are authorized to create clean energy assessment districts. Owners of qualifying property within the boundaries of the district can apply to participate in the PACE program, and enter into a contract with the municipality spelling out the details of the financing arrangement.

An assessment under the PACE Act, including any interest and penalties, constitutes a lien against the qualifying property until the assessment is paid in full. PACE liens run with the qualifying property, but are subordinate to all prior recorded liens on the qualifying property as well as any first mortgage or trust deed on the qualifying property recorded after the PACE lien.

Municipalities may finance their PACE programs through the issuance of revenue bonds, by setting aside a pool of existing municipal funds, or through third-party lending.

The committee amendment, AM 2253, made a number of changes to the bill: 1) added defined terms for “assessment contract” and “energy efficiency related items”; 2) allowed energy efficiency related items to be financed through PACE, so long as the costs of such items do not exceed

25% of the total cost of the energy project; 3) clarified that apartment buildings with more than four units are classified as commercial property, while buildings with four or fewer units are classified as residential property; 4) bifurcated the requirements for residential PACE financing and non-residential PACE financing; 5) changed the required items that must be included in the ordinance creating the clean energy assessment district; 6) detailed the requirements of the assessment contract between the municipality and record owners of qualifying property; 7) required that copies of assessment contracts be filed with the county assessor in the county in which the qualifying property is located; 8) clarified that assessments can only be sought from the original owners or subsequent purchasers of qualifying property subject to an assessment contract; 9) provided that PACE bonds issued by a municipality are not general obligation bonds and shall only be secured by payments of assessments by owners of qualifying property subject to assessment contracts; 10) required voter approval for any single PACE bond that exceeds \$5 million; and 11) allowed two or more municipalities to enter into an agreement pursuant to the Interlocal Cooperation Act for the joint administration of their PACE programs.

On General File, the bill was further amended with AM 2602, which made a number of additional changes to the bill: 1) provided that a third-party lender may be a party to the assessment contract between the owner of qualifying property and the municipality; 2) required that residential PACE programs comply with directives or guidelines issued by the Federal Housing Administration or Federal Housing Finance Agency; 3) clarified that assessment contracts shall provide for repayment of costs through the imposition of annual assessments; 4) required that copies of assessment contracts be filed with both the county assessor and register of deeds in the county in which the qualifying property is located; 5) required that annual assessments be levied and collected in the same manner as property taxes; 6) further bifurcated the requirements for residential PACE financing and non-residential PACE financing; 7) clarified that non-residential PACE liens have the same priority and status as real property tax liens; 8) provided for the survival of residential PACE liens upon a foreclosure sale; 9) provided that upon the transfer of ownership of property with a PACE lien, the non-delinquent annual assessments shall continue as a lien on the property; 10) required voter approval for PACE financing to be used to finance energy projects on publicly-owned buildings; 11) required that municipalities establish a loss reserve fund for PACE projects; 12) authorized municipalities to establish a debt reserve fund to be used as security for bonds or other financing;

and 13) authorized a municipality or municipalities to contract with a third-party for the administration of their PACE programs.

LB 1059 (Crawford) Require certain disclosures under the Community Development Law and the Local Option Municipal Economic Development Act

LB 1059 addresses the intersection between state tax incentives in the Nebraska Advantage Act and the two primary local economic development incentives in Nebraska – the Local Option Municipal Economic Development Act (commonly referred to as LB 840), and tax-increment financing (TIF).

The bill requires that prior to applying to participate in an economic development program under LB 840 or entering into a redevelopment contract that includes the use of TIF, a business must certify the following information: 1) whether the business has filed or intends to file an application to receive tax incentives under the Nebraska Advantage Act for the same project; 2) whether such application includes or will include a refund of the municipality’s local option sales tax revenue; 3) a good faith estimate of the total amount of tax incentives the business expects to receive under the Nebraska Advantage Act for any such application; and 4) whether such application has been approved under the Nebraska Advantage Act.

The committee amendment, AM 2067, incorporated the provisions of two other bills heard by the committee: LB 808 and LB 860.

Provisions of LB 808

LB 808 changes the process for amending an economic development program under the Local Option Municipal Economic Development Act, commonly referred to as LB 840.

Under LB 808, a municipality can amend an existing LB 840 plan to add or remove a type of qualifying business if such addition or removal is recommended by its citizen advisory review committee. Amendment of an LB 840 plan requires a two-thirds vote of the municipality’s governing body.

Provisions of LB 860

LB 860 authorizes cities of the first class, cities of the second class, and villages to make grants and loans under the Local Option Municipal Economic Development Act (commonly referred to as LB 840) for the construction or rehabilitation for sale or lease of housing as part of a workforce housing plan.

Under LB 860, a workforce housing plan is defined as a program to construct or rehabilitate single-family housing or market rate multi-family housing which is designed to address a housing shortage that impairs the ability of the city to attract new businesses or impairs the ability of existing businesses to recruit new employees.

On Select File, LB 1059 was further amended with AM 2323 to strike the requirement that businesses provide a good faith estimate of the total amount of tax incentives the business expect to receive as part of the disclosures.

BILL SUMMARIES: BILLS ON GENERAL FILE

LB 705 (Urban Affairs Committee) Change provisions relating to cities of the first class

LB 705 modernizes and updates statutes governing cities of the first class.

The bill amends sections of statute in Chapter 16 to make a variety of “clean-up” changes: 1) changing and correcting terminology; 2) changing subject-verb agreement; 3) changing references to improvement districts; 4) clarifying references to cities’ extraterritorial zoning jurisdiction (ETJ) or city limits; 5) clarifying references to legal newspapers; 6) correcting references to city officials; 7) correcting gender references; 8) correcting internal statutory references; 9) eliminating run-on sentences; 10) harmonizing references to other statutory sections within Chapter 16; and 11) replacing or eliminating antiquated, obsolete, or unnecessary language.

The committee amendment, AM 1884, made additional clean-up changes in several sections of the bill.

Portions/Provisions of LB 705 were amended into LB 704.

LB 806 (Mello) Adopt the Riverfront Development District Act

LB 806 adopts the Riverfront Development District Act. Under the Act, cities are authorized to create riverfront development districts to effectively fund, manage, promote, and develop riverfronts within city limits.

Riverfront development districts created under the Act would be overseen and managed by a riverfront development authority appointed by the mayor with the approval of the city council.

The committee amendment, AM 2137, made several changes to the bill: 1) amended the definition of river to specifically list each river and add the Big Blue River; 2) required the city creating a riverfront development authority to set a cap on the bonding authority of the authority; 3) specified that a riverfront development authority makes plans for improvements and redevelopment within the riverfront development

district in conjunction with the city; 4) clarified that only property owned by a riverfront development authority is tax-exempt; 5) authorized a riverfront development authority to construct, install, and maintain boardwalks, barges, docks, and wharves; 6) provided that a city that creates a riverfront development authority may limit the powers of the authority by ordinance; and 7) prohibited an occupation tax or special assessment from being imposed on the same property by both a riverfront development district and a business improvement district if the boundaries of a riverfront development district and business improvement district overlap.

LB 808 (Hansen) Change provisions relating to amending an economic development program under the Local Option Municipal Economic Development Act

LB 808 changes the process for amending an economic development program under the Local Option Municipal Economic Development Act, commonly referred to as LB 840.

Under LB 808, a municipality can amend an existing LB 840 plan to add or remove a type of qualifying business if such addition or removal is recommended by its citizen advisory review committee. Amendment of an LB 840 plan requires a two-thirds vote of the municipality's governing body.

Portions/Provisions of LB 808 were amended into LB 1059.

LB 860 (Hughes) Add a type of economic development program under the Local Option Municipal Economic Development Act

LB 860 authorizes cities of the first class, cities of the second class, and villages to make grants and loans under the Local Option Municipal Economic Development Act (commonly referred to as LB 840) for the construction or rehabilitation for sale or lease of housing as part of a workforce housing plan.

Under LB 860, a workforce housing plan is defined as a program to construct or rehabilitate single-family housing or market rate multi-family housing which is designed to address a housing shortage that impairs the

ability of the city to attract new businesses or impairs the ability of existing businesses to recruit new employees.

Portions/Provisions of LB 860 were amended into LB 1059.

BILL SUMMARIES: 2015 CARRYOVER BILLS HELD IN COMMITTEE

LB 238 (Groene) Change provisions relating to tax-increment financing under the Community Development Law

LB 238 requires that tax-increment financing (TIF) funds could only be used for expenditures by municipalities for land acquisition, site preparation, and public works.

The bill also requires that TIF bonds be sold at a public sale and caps the allowable interest rate for TIF bonds at the prime rate published by the Federal Reserve Board plus two percentage points.

LB 300 (Schumacher) Change provisions relating to enforcement of ordinances by sanitary and improvement districts

LB 300 allows sanitary and improvement districts (SIDs) to impose penalties and fines for violations of SID ordinances. Fines under the bill could not exceed \$500 for any one offense, and would be recoverable with costs.

Under Nebraska Revised Statute §31-333, a SID board has the power to pass all necessary ordinances, orders, rules, and regulations for the necessary conduct of its business and to carry into effect the objects for which the SID was formed.

LB 445 (Groene) Authorize audits of redevelopment plans that use tax-increment financing

LB 445 authorizes the Department of Revenue to audit redevelopment plans that utilize tax-increment financing (TIF).

Under the bill, each redevelopment plan would have to be audited at least once every two years, and if the Department found that a redevelopment plan was not in compliance with the Community Development Law, the municipality which approved the redevelopment plan would be prohibited from approving additional redevelopment plans until all discrepancies have been addressed.

LB 596

(Davis) Change the Community Development Law and create the Tax-Increment Financing Division of the Auditor of Public Accounts

LB 596 makes a number of changes to the tax-increment financing (TIF) provisions in the Community Development Law. These changes include: 1) requiring that members of community redevelopment authorities consist of local stakeholders and include at least one member each representing school districts, counties, and community colleges located within the municipality exercising TIF; 2) requiring annual review of TIF projects by municipalities; 3) providing for the potential recapture of TIF incentives if a TIF project fails to meet its stated goals and objectives; and 4) establishing a Tax-Increment Financing Division within the office of the Auditor of Public Accounts to provide state-level oversight of TIF projects.

BILL SUMMARIES: 2016 BILLS HELD IN COMMITTEE

LB 719 (Groene) Change provisions relating to undeveloped vacant land under the Community Development Law

LB 719 prohibits the use of tax-increment financing (TIF) for the acquisition, planning, and preparation for development or disposal of undeveloped vacant land outside of city limits.

The bill also prohibits the declaration of undeveloped vacant land as substandard and blighted for TIF purposes, regardless of whether such vacant land is within city limits.

BILL SUMMARIES: 2016 BILLS INDEFINITELY POSTPONED

LB 1042 (Friesen) Change provisions relating to tax-increment financing

LB 1042 requires that prior to municipal approval of a redevelopment plan which includes the use of tax-increment financing (TIF), the county board of equalization of the county that would be directly affected by the TIF would have to approve the plan. The county board of equalization may approve the plan if it meets all statutory requirements for TIF imposed under the Community Development Law.

LB 1042 also changes the valuation of real property used in calculations under the Tax Equity and Educational Opportunities Support Act (TEEOSA), which is the K-12 school aid formula. Under the bill, when certifying the total taxable valuation of a school district within the county to the Property Tax Administrator, the county assessor shall certify the total assessed valuation of any property whose valuation is divided due to TIF, rather than the base valuation of the property under TIF.

RESOLUTION SUMMARIES: 2016 RESOLUTIONS INDEFINITELY POSTPONED

LR 394CA (Hughes) Constitutional amendment to authorize taxing bodies to exclude their taxes from pledges made by cities to pay indebtedness on redevelopment projects

LR 394CA proposes an amendment to Article VIII, Section 12 of the Nebraska State Constitution to allow political subdivisions to “opt out” of having their property tax revenues pledged as part of a redevelopment project that utilizes tax-increment financing (TIF). The proposed amendment would be submitted to the voters at the general election in November 2016.

LR 399CA (Davis) Constitutional amendment to require cities and villages to obtain voter approval before pledging taxes for the payment of indebtedness related to redevelopment projects

LR 399CA proposes an amendment to Article VIII, Section 12 of the Nebraska State Constitution to require that before pledging property taxes for a tax-increment financing (TIF) project, a city or village must receive voter approval from the registered voters within the city or village, as well as the registered voters of each school district and county whose property taxes would be pledged. The proposed amendment would be submitted to the voters at the general election in November 2016.

LR 399CA would not apply to any pledge of property taxes occurring prior to January 1, 2017.

LIST OF 2016 URBAN AFFAIRS COMMITTEE INTERIM STUDIES

One Hundred Fourth Legislature, Second Session

- LR 439 (Crawford) Interim study to examine the use of tax-increment financing by municipalities for residential development
- LR 464 (Groene) Interim study to examine the effects of the use of tax-increment financing by municipalities
- LR 489 (Crawford) Interim study to examine issues relating to housing authorities
- LR 490 (Crawford) Interim study to examine the enforcement of state and local building codes
- LR 495 (Urban Affairs Committee) Interim study to examine state law governing cities of the second class and villages in Chapter 17 of the Nebraska statutes
- LR 496 (Urban Affairs Committee) Interim study to examine issues within the jurisdiction of the Urban Affairs Committee
- LR 526 (Hansen) Interim study to examine municipal classifications
- LR 565 (Pansing-Brooks) Interim study to examine land acquisition within municipalities for educational purposes
- LR 605 (Mello) Interim study to examine issues relating to urban redevelopment

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LB 700 (Mello) Require notice to neighborhood associations for changes to business improvement districts and zoning ordinances in cities of the metropolitan class

Enterprise Zones

LB 948 (Morfeld) Change an application period limitation for the designation of enterprise zones as prescribed

Handicapped Parking

LB 865 (Crawford) Change provisions relating to handicapped parking

Land Banking

LB 699 (Mello) Change the Nebraska Municipal Land Bank Act

Local Option Municipal Economic Development Act (LB 840)

LB 808 (Hansen) Change provisions relating to amending an economic development program under the Local Option Municipal Economic Development Act

LB 860 (Hughes) Add a type of economic development program under the Local Option Municipal Economic Development Act

LB 1059 (Crawford) Require certain disclosures under the Community Development Law and the Local Option Municipal Economic Development Act

Municipalities

LB 295 (Scheer) Require notice and a comment period regarding zoning ordinances affecting certain extraterritorial zoning jurisdictions

LB 378 (Groene) Change requirements for voter approval of borrowing money for public improvements by a city of the first class

LB 700 (Mello) Require notice to neighborhood associations for changes to business improvement districts and zoning ordinances in cities of the metropolitan class

LB 703 (Urban Affairs Committee) Change provisions relating to nuisances in cities and villages

LB 705 (Urban Affairs Committee) Change provisions relating to cities of the first class

LB 857 (Hadley) Change population threshold for a city of the first class to employ a full-time fire chief

LB 864 (Crawford) Change provisions relating to a municipality requesting additional extraterritorial zoning jurisdiction

LB 875 (Murante) Change conditions for approval of a planned unit development for certain cities of the second class and villages

Property Assessed Clean Energy (PACE)

LB 1012 (Mello) Adopt the Property Assessed Clean Energy Act

Riverfront Development Districts

LB 806 (Mello) Adopt the Riverfront Development District Act

Sanitary & Improvement Districts (SIDs)

- LB 131** (Craighead) Provide restrictions on sanitary and improvement districts subject to municipal annexation
- LB 300** (Schumacher) Change provisions relating to enforcement of ordinances by sanitary and improvement districts

Tax-Increment Financing (TIF)

- LB 238** (Groene) Change provisions relating to tax-increment financing under the Community Development Law
- LB 445** (Groene) Authorize audits of redevelopment plans that use tax-increment financing
- LB 596** (Davis) Change the Community Development Law and create the Tax-Increment Financing Division of the Auditor of Public Accounts
- LB 719** (Groene) Change provisions relating to undeveloped vacant land under the Community Development Law
- LB 1042** (Friesen) Change provisions relating to tax-increment financing
- LB 1059** (Crawford) Require certain disclosures under the Community Development Law and the Local Option Municipal Economic Development Act
- LR 394CA** (Hughes) Constitutional amendment to authorize taxing bodies to exclude their taxes from pledges made by cities to pay indebtedness on redevelopment projects
- LR 399CA** (Davis) Constitutional amendment to require cities and villages to obtain voter approval before pledging taxes for the payment of indebtedness related to redevelopment projects

DETAILED INDEX OF URBAN AFFAIRS COMMITTEE BILLS

One Hundred Fourth Legislature, Second Session

Bill #	Introducer	One-liner	Hearing Date	Committee Action	Status
LB 131	Craighead	Provide restrictions on sanitary and improvement districts subject to municipal annexation	Carryover	Advanced w/ AM 405	Approved by Governor on 2/24/16
LB 238	Groene	Change provisions relating to tax-increment financing under the Community Development Law	Carryover	Held	Indefinitely Postponed – Sine Die on 4/20/16
LB 295	Scheer	Require notice and a comment period regarding zoning ordinances affecting certain extraterritorial zoning jurisdictions	Carryover	Advanced w/ AM 323	Approved by Governor on 3/3/16
LB 300	Schumacher	Change provisions relating to enforcement of ordinances by sanitary and improvement districts	Carryover	Held	Indefinitely Postponed – Sine Die on 4/20/16
LB 378	Groene	Change requirements for voter approval of borrowing money for public improvements by a first-class city	Carryover	Advanced w/ AM 637	Approved by Governor on 3/3/16
LB 445	Groene	Authorize audits of redevelopment plans that use tax-increment financing	Carryover	Held	Indefinitely Postponed – Sine Die on 4/20/16
LB 596	Davis	Change the Community Development Law and create the Tax-Increment Financing Division of the Auditor of Public Accounts	Carryover	Held	Indefinitely Postponed – Sine Die on 4/20/16
LB 699	Mello	Change the Nebraska Municipal Land Bank Act	1/19/16	Advanced w/ AM 1861	Approved by Governor on 2/24/16
LB 700	Mello	Require notice to neighborhood associations for changes to business improvement districts and zoning ordinances in cities of the metropolitan class	1/19/16	Advanced w/ AM 1889	Approved by Governor on 3/9/16
LB 703	Urban Affairs Committee	Change provisions relating to nuisances in cities and villages	1/19/16	Advanced w/ AM 1877	Approved by Governor on 3/9/16
LB 704 ¹	Urban Affairs Committee	Change building code provisions applicable to political subdivisions	1/19/16	Advanced	Approved by Governor on 3/30/16

¹ Urban Affairs Committee priority bill

LB 705 ²	Urban Affairs Committee	Change provisions relating to cities of the first class	1/26/16	Advanced w/ AM 1884	Indefinitely Postponed – Sine Die on 4/20/16
LB 719	Groene	Change provisions relating to undeveloped vacant land under the Community Development Law	2/9/16 (PM)	Held	Indefinitely Postponed – Sine Die on 4/20/16
LB 806	Mello	Adopt the Riverfront Development District Act	2/16/16	Advanced w/ AM 2137	Indefinitely Postponed – Sine Die on 4/20/16
LB 808 ³	Hansen	Change provisions relating to amending an economic development program under the Local Option Municipal Economic Development Act	2/9/16 (AM)	Advanced	Indefinitely Postponed – Sine Die on 4/20/16
LB 857 ⁴	Hadley	Change population threshold for a city of the first class to employ a full-time fire chief	2/16/16	Advanced w/ AM 2240	Approved by Governor on 3/30/16
LB 860 ⁵	Hughes	Add a type of economic development program under the Local Option Municipal Economic Development Act	2/9/16 (AM)	Advanced	Indefinitely Postponed – Sine Die on 4/20/16
LB 864	Crawford	Change provisions relating to a municipality requesting additional extraterritorial zoning jurisdiction	1/26/16	Advanced	Approved by Governor on 3/09/16
LB 865	Crawford	Change provisions relating to handicapped parking	2/16/16	Advanced	Approved by Governor on 4/6/16
LB 875	Murante	Change conditions for approval of a planned unit development for certain cities of the second class and villages	1/26/16	Advanced w/ AM 1919	Approved by Governor on 4/6/16
LB 948	Morfeld	Change an application period limitation for the designation of enterprise zones as prescribed	1/26/16	Advanced w/ AM 2014	Approved by Governor on 4/7/16
LB 1012 ⁶	Mello	Adopt the Property Assessed Clean Energy Act	2/9/16 (AM)	Advanced w/ AM 2253	Approved by Governor on 4/13/16
LB 1042	Friesen	Change provisions relating to tax-increment financing	2/9/16 (PM)	Indefinitely Postponed	Indefinitely Postponed on 2/17/16
LB 1059 ⁷	Crawford	Require certain disclosures under the Community Development Law and the Local Option Municipal Economic Development Act	2/9/16 (AM)	Advanced w/ AM 2067	Approved by Governor on 3/30/16

² Portions/provisions of LB 705 were amended into LB 704

³ Portions/provisions of LB 808 were amended into LB 1059

⁴ Hadley priority bill

⁵ Portions/provisions of LB 860 were amended into LB 1059

⁶ Haar priority bill

⁷ Urban Affairs Committee priority bill

LR 394CA	Hughes	Constitutional amendment to authorize taxing bodies to exclude their taxes from pledges made by cities to pay indebtedness on redevelopment projects	2/9/16 (PM)	Indefinitely Postponed	Indefinitely Postponed on 2/17/16
LR 399CA	Davis	Constitutional amendment to require cities and villages to obtain voter approval before pledging taxes for the payment of indebtedness related to redevelopment projects	2/9/16 (PM)	Indefinitely Postponed	Indefinitely Postponed on 2/17/16