

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Urban Affairs Committee  
February 04, 2014

---

[LB1011 LB1012 LB1096]

The Committee on Urban Affairs met at 1:30 p.m. on Tuesday, February 4, 2014, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB1011, LB1096, and LB1012. Senators present: Amanda McGill, Chairperson; Sue Crawford, Vice Chairperson; Colby Coash; Russ Karpisek; and Bob Krist. Senators absent: Brad Ashford; and Scott Lautenbaugh.

SENATOR MCGILL: All right. Welcome to the Urban Affairs Committee hearing today. (Laugh)

SENATOR CRAWFORD: You make a difference.

KATIE CHATTERS: We are glad (inaudible)...

SENATOR CRAWFORD: We can't function without you.

SENATOR KRIST: Yeah, right.

SENATOR MCGILL: I'm state Senator Amanda McGill. Here with me on the committee is Senator Bob Krist; Senator Sue Crawford; Laurie Holman, our research analyst; and Senator Russ Karpisek. And Katie Chatters is our committee clerk. Please silence your cell phones. Make sure you say your name when you come up to the mic. I think it's such a small room I think you all know the drill so I won't go on about that for too long. With that we can go ahead and open on LB1011. Senator Janssen is here. [LB1011]

SENATOR JANSSEN: Thank you, Madam Chairwoman. And this is the first time I've appeared before the... [LB1011]

SENATOR MCGILL: Yeah, I thought so. [LB1011]

SENATOR JANSSEN: ...this committee, period, since I've been down here. [LB1011]

SENATOR MCGILL: Welcome. [LB1011]

SENATOR JANSSEN: I was walking by Senator Coash, as well. [LB1011]

SENATOR MCGILL: Senator Coash is here now. [LB1011]

SENATOR JANSSEN: Members of the committee, for the record my name is Charlie Janssen, C-h-a-r-l-i-e J-a-n-s-s-e-n. I represent District 15 which is North Bend, Fremont, and many other cities and all of Dodge County. Today I appear in front of you to introduce LB1011. LB1011 would change provisions regarding the ability of a

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Urban Affairs Committee  
February 04, 2014

---

municipal subdivision's governing board to amend or repeal a voter-approved initiative measure. Currently, no attempt to amend or repeal a voter-approved initiative measure can be undertaken within one year after passage of the measure by the electors. LB1011 would extend the time period to two years. LB1011 would also require full implementation of the measure by the municipal subdivision before the amendment or repeal effort is permitted under express terms. The provisions of 18-2526 have recently become interrelated to a special election ballot issue in one of my communities in my legislative district. Voters in the community approved a citizen initiative measure. The city council instructed city administration to enforce a part of the citizen initiative but not implement other parts. A councilmember drafted a repeal measure for a portion of the initiative. The council ultimately decided to submit the repeal question to the voters in a special election. Several members of the public did not feel it was right that a council could repeal a voter-approved citizen initiative so quickly. They also did not think it was fair that they could repeal a measure that the governing body had never fully implemented in the first place. I introduced LB1011 in response to their concerns. And I also appreciate the number of the bill since I know the Chairwoman used to work for 10/11 News (laughter) that I happened to get that number as well. So thank you and I'd be happy to entertain any questions you have. [LB1011]

SENATOR MCGILL: Thank you, Senator. Are there any questions? Senator Crawford. [LB1011]

SENATOR CRAWFORD: Thank you. And I just wondered if you could tell us a little bit what you have in mind in terms of full implementation, what that would look like, or who would determine that. [LB1011]

SENATOR JANSSEN: Well, it would be, in the particular case, if you went out and went through your community and went through the petition process that we have laid out and instructed that, if that actually happens, that the ordinance, if you will, gets fully implemented and then there's an opportunity to see if it works or doesn't work, regardless of the issue. Sometimes constitutionality could become a question, but that would be answered with full implementation, and the courts could answer that question instead of perhaps waiting, waiting, waiting and challenging it, which is fine if you want to wait and challenge it, but if it's fully...the legal parts are all put in after the constitutional challenge, I just think it kind of...it really undermines the constituents and the people that vote when something is actually deemed legal and it's not implemented. [LB1011]

SENATOR CRAWFORD: Um-hum. What would that have looked like in the case in your district, you think? [LB1011]

SENATOR JANSSEN: What's that? [LB1011]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Urban Affairs Committee  
February 04, 2014

---

SENATOR CRAWFORD: What would full implementation have looked like in the case in your district, do you think? [LB1011]

SENATOR JANSSEN: You know, and it doesn't really matter what district or what full implementation is. [LB1011]

SENATOR CRAWFORD: But I mean the...there was an initiative that sort of inspired the bill, so... [LB1011]

SENATOR JANSSEN: Yeah. [LB1011]

SENATOR CRAWFORD: ...if the bill had been in place at that point, what do you think that would have looked like? [LB1011]

SENATOR JANSSEN: Well, and I'm not here in a partisan nature today by any means. [LB1011]

SENATOR CRAWFORD: No, but... [LB1011]

SENATOR JANSSEN: But this is a...this was the illegal immigration ordinance that has... [LB1011]

SENATOR CRAWFORD: Um-hum. [LB1011]

SENATOR JANSSEN: ...Fremont has become well-known for. And whether you agree or disagree with that ordinance,... [LB1011]

SENATOR CRAWFORD: Um-hum. [LB1011]

SENATOR JANSSEN: And it could be something else. It could be a taxing situation where people went around...it could be anything on either side of the aisle, if you will, of somebody putting forward. I just don't think...oh, let's use the...this is my own example, made up, and I think everybody realizes what political party I'm from. But if there is a liberal initiative or a Democratic initiative that comes forward and I really don't like it but we happen to have the majority of Republicans or something on a city council by supermajority, they could repeal that. In Fremont's case, I went to the hearing and I even said, I have no idea where you're going to vote on this, I just think it's wrong to take this out of the people's hands, I don't care what the issue is. I said, at the very minimum--and I even disagreed with this--you should put it back to a vote of the people. I've got, thankfully, enough people that still listen to me, or at least acted like they did, that, instead of using the supermajority rule, they put it back to a vote of the people and that vote is going to currently happen, I believe on February 11. [LB1011]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Urban Affairs Committee  
February 04, 2014

---

SENATOR CRAWFORD: Um-hum. I was a little concerned about that full implementation language because I think you might never get to that point. And I mean I think we try to implement things but it takes a long time and full implementation seems like something people could use to block things. But thank you for... [LB1011]

SENATOR JANSSEN: Yeah. And I am amenable to...you know, it's...I changed...there's not much changed. And before anybody asks, I didn't write the bill. (Laughter) I struck some language from the bill. And, you know, I'd change it from one to two years. That's really not even the bigger part. I'd probably put that in there probably to address your question. Sometimes constitutionality could be a question over a long term so you would get a chance and you can do part. So the one to two is not really a big deal. I think the full implementation would be kind of a big deal and sometimes it probably would be a less toxic subject matter than the one I'm referring to. [LB1011]

SENATOR CRAWFORD: Um-hum. Thank you. [LB1011]

SENATOR MCGILL: Senator Coash. [LB1011]

SENATOR COASH: Thank you, Senator McGill. Senator Janssen, what would happen if the timing were such that there is a change in council leadership--or council membership, I should say? So you had an ordinance that was passed and then a year went by, or maybe eight months went by, and then there's another election and there's a very different makeup of the governing body who then wants to come in and amend the ordinance that their predecessors have passed? Would this bill impact that? I mean, would they be kind of hamstrung for two years even though the people wanted...you know, their new representation tells them that they want to reverse...I mean, it would be like one Legislature undoing what the year before did... [LB1011]

SENATOR JANSSEN: Right. [LB1011]

SENATOR COASH: ...but not being able to. [LB1011]

SENATOR JANSSEN: Right. [LB1011]

SENATOR COASH: Do you see how...would that be an issue with this? [LB1011]

SENATOR JANSSEN: I don't think so because what I'm dealing with is a citizen initiative, not an elected council initiative in this particular case. [LB1011]

SENATOR COASH: Okay. [LB1011]

SENATOR JANSSEN: And this vote got nearly 60 percent of the vote from Fremont residents. [LB1011]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Urban Affairs Committee  
February 04, 2014

---

SENATOR COASH: Okay. [LB1011]

SENATOR JANSSEN: And the council has, as a matter of fact, changed over and it's...I really don't think, if I'm going quickly off the top of my head, I know every one of them and I don't think one is a Democrat at all in the Fremont City Council. So it's really not much of a partisan issue, either, there. It's just...for me, and I've said this many times and I've been an advocate and you guys know where I'm at, and...but I think I've always been respectful to the vote of the people. I trust the electorate and I think it's very disingenuous for the...for us to be able to overturn a citizen initiative that has not been implemented. So, you know, unless we went through Fremont and took 25,000 residents and switched them all out, I don't see it really changing and it should at least be implemented before it is looked at and changed and it should have a good basis. In this particular case, I felt that if people wanted to repeal the ordinance that has not yet been fully implemented, they should have undertaken a petition drive, just like the people did on the other side of the issue, and went through, because it's not very easy to do, especially in the state of Nebraska. And I know from serving on the Government Committee it's even become more restrictive to do in the time that, well, many of us have been down here. [LB1011]

SENATOR COASH: Okay. [LB1011]

SENATOR MCGILL: Any other questions? I don't see any, Senator, thank you. [LB1011]

SENATOR JANSSEN: All right. Thank you. I most likely will waive closing because I don't...I didn't ask anybody to come down. So if somebody showed up on their own... [LB1011]

SENATOR MCGILL: Yeah, well, we'll see if anyone is here, so. [LB1011]

SENATOR JANSSEN: ...we'll see what happens. Usually I don't have a problem finding opposition to my bills, but... [LB1011]

SENATOR MCGILL: Well, do we have anyone here in support of LB1011? Going once, going twice. Anyone here opposed? We've got one. [LB1011]

LYNN REX: Senator McGill, members of the committee, my name is Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraska Municipalities. We do respectfully come here today in opposition and in strong opposition to this measure. The league executive board held a telephone conference call yesterday afternoon to discuss this very issue and it was unanimous in opposition and I'd like to share with you why that's the case. And some of it I think Senator Coash has already pointed out, and I think Senator Karpisek may have as well, and that is that there are some legitimate reasons as to why

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Urban Affairs Committee  
February 04, 2014

---

a municipality may choose not to fully implement an ordinance passed by initiative, especially when it's...the possibility and a high probability that it will be held to be unconstitutional. What happened in the Fremont case, essentially, is this scenario that after the city council of Fremont back in 2008 chose not to pass an ordinance to do this, the voters or the taxpayers, citizens, then had an initiative measure. That came forward and I can share with you that there was a strong coalition opposing that. But it did go to court then and it went through the court system about whether or not Fremont had to have an election or not had to have an election. And in April, in fact, the Nebraska Supreme Court...and it was held that basically, yes, they need to do this within 60 days, and they did that. I will tell you that 80 percent of the folks were in favor of that ordinance until there was an effort where they really began to understand what it would do, and then it did go down to 57 percent and passed by 57 percent. There are some folks that think that if they...if there had been a couple more weeks that it would not have passed as people more fully understood what this meant. But that being said, the city went ahead and there was still continued court case and court action. The Eighth Circuit deemed that the E-Verify portion was constitutional, and that's no great surprise, and they are implementing and have implemented the E-Verify portion. The Eighth Circuit did not really rule on the other element of it, which is the permit fee and whether or not you can harbor or house an illegal immigrant, and they didn't rule on it because Fremont has not implemented it and enforced it. They have not done so. There are three circuit courts that have held that it's unconstitutional, so a similar, obviously not their ordinance, but a similar ordinance in their jurisdictions. I'd like to read for...to you, if I may, and I normally...I don't like reading to folks because I think it's very boring. But I think this is important and I don't want to misstate it. The ordinance enforcement concerns are as follows: all adult Fremont residents, not only immigrants, all adult Fremont residents must apply and pay \$5 for a permit when seeking dwellings for rent and for every move thereafter. This requirement also applies each time senior citizens may relocate within an assisted living facility. Rental properties affected include houses and apartments, as well as assisted-living apartments. Dormitories and temporary-stay dwellings, such as motels, are exempted. Actual language in the existing ordinance does not require proof of legal status. When applying for a rent permit, applicants must only attest by checking a box on the form that they are in Fremont lawfully. According to the ordinance language, applicants who self-identify as undocumented or who are known to be undocumented may not be denied a rent permit by the city. Federal officials indicate that no enforcement from them should be expected. The city must establish a new bureaucracy, at taxpayers' expense, to provide for administration and enforcement to both applicants and also landlords who will be subject to audit. So basically the city of Fremont, upon advice of their legal counsel and others, felt that it was not in their interest to move forward and implement this part of it. There are three communities in the United States that have passed similar types of ordinances, all drafted by the same group that is advocating this nationwide, and that would be Hazleton, Pennsylvania; Farmers Branch, Texas; and Fremont, Nebraska. There is a group that has come forward indicating that the voters ought to have an opportunity in

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Urban Affairs Committee  
February 04, 2014

---

Fremont to reconsider this and that election, as I understand it, will be held February 11. There are those that feel very strongly, from the chamber of commerce to others that are working this and other business leaders, that Fremont has already paid a very, very high price and probably what they'll never know are the businesses that won't locate but, to be blunt, it is having an impact on them. That is separate and distinct from the vast amount of money they have already spent dealing with this issue because originally they were told, oh, there will be no cost to the legal expense. Well, there are costs involved in this sort of thing because obviously you have depositions, you have other things that come into mind. And I think that when this was initially presented to the Fremont voters, there was a different perspective. And so it will be, I think, interesting to see how the vote is...what happens on the vote on February 11. But this...our reason for our opposition to LB1011 is not just Fremont specific, it really isn't. It deals with another...it deals with other issues. You could have this...in this instance, I think there is no question you have a constitutionally suspect application here if it was enforced. And again, the only reason why the Eighth Circuit didn't rule on that element is because Fremont, upon advice of legal counsel, chose not to enforce it so the voters, frankly, could have another opportunity to look at this and understand what the implications are. And really, do you want grandma in an assisted facility going after a \$5 permit? And then who is going to enforce that, local police officers? Who goes to the door and sees if grandma has got her \$5 permit? So you have all of those kinds of implications too. But let's take other scenarios where, in fact, there have been efforts brought forward over the years before municipalities where indeed you may end up in a scenario where you have clearly something that's unconstitutional or maybe the Nebraska Supreme Court has already ruled it's unconstitutional but it passes anyway and maybe the city council or others really didn't move forward fast enough to do the court challenge or to do whatever is necessary. So right now the law provides, and I think it's very adequate, which is that a municipality cannot undo or repeal or amend a ballot question within one year after passage by the voters. Basically, this was done, I believe, back in 2010 so they had until 2012 and that's why the discussion happened in 2013 about placing this on the ballot for reconsideration by Fremont voters. But in one year a lot of things can happen. And so basically we think that current law is more than adequate. And I agree with Senator Janssen that the more substantive part of this bill is not the time limit as much as it is requiring full implementation. What if it was to basically do something relative to child labor laws or something that's an active effort of discrimination toward any group of individuals? Do you go ahead and fully enforce that? Or do you wait until some other things are happening? And I don't know whether or not the decision of the Eighth Circuit will be appealed or not. I frankly don't have the answer to that. But in any event, we are here in strong opposition to it. We respect Senator Janssen. We respect his view. And by the way, I do have some great regard and respect for the voters because most of the time they're right. But I think you need to have a fully informed electorate. And this is an opportunity and there has been a tremendous effort made forth by the Fremont Chamber of Commerce and other groups in Fremont to make it clear to Fremont voters what this means for them in terms of the amount of taxes that

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Urban Affairs Committee  
February 04, 2014

---

they already had to pay, tax increases, and other things that will be as a consequence. I'd be happy to respond to any questions that you might have. [LB1011]

SENATOR MCGILL: Questions from the committee? Senator Crawford. [LB1011]

SENATOR CRAWFORD: Thank you, Chairwoman McGill. And thank you, Lynn, for your testimony. What is the legal obligation or legal protection of a city administrator or mayor if something passes in their city that they feel or they're concerned might be unconstitutional? [LB1011]

LYNN REX: Do they have legal protection as a city? [LB1011]

SENATOR CRAWFORD: Right. Or what's their...what would be their legal expectation or legal obligation? [LB1011]

LYNN REX: Well, as Fremont has done, I mean, they basically took it to court. And their concern was, first and foremost, how would you begin implementing it? If you were...if, in fact, it was constitutional, how would you do that? How many enforcement officers do you need to go door to door to see whether or not somebody has a \$5 permit? How do you do that? And so it's a cost issue. But Fremont has, as a city, in our view at least, has certainly done the right things by trying to make sure that they know the answer to that question. And so I think when you've got three jurisdictions that have already determined circuit court opinions that it's...that that element in very similar ordinances, because they've all been drafted by the same group that's advocating this nationwide, have said that part is unconstitutional. At some point here the U.S. Supreme Court will be dealing with that issue. And I do think it's a different question once the U.S. Supreme Court makes a...renders a decision on that. If they say it's constitutional, then I think it's a different, different ball game. I just don't think that they will. [LB1011]

SENATOR MCGILL: Other questions? I don't see anything. [LB1011]

LYNN REX: Thank you very much for your time. [LB1011]

SENATOR MCGILL: Thank you very much, Lynn. [LB1011]

LYNN REX: Thank you. [LB1011]

SENATOR MCGILL: Is there anyone else here opposed to LB1011? Anyone here to testify neutral on LB1011? I'm saying "1011" as much as I can. (Laughter) All right. Senator Janssen, would you like to close or rebuttal? [LB1011]

SENATOR JANSSEN: Thank you. I would prefer not to close, to be honest with you. And I'm going to...very upset right now, honestly. I came here with a bill talking about an

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Urban Affairs Committee  
February 04, 2014

---

issue on cities. I find it very unprofessional and unethical that Ms. Rex decided to take this on about the Fremont ordinance. I don't think anybody on this committee heard me talk about the Fremont ordinance until I was asked a question by the senator. She put out misleading facts that is used by the other side of a political campaign that is happening right now, and I will get you those facts on that ordinance if you do care. That was read directly out of the opposition to this ordinance, directly. And again, for the record, that was unprofessional behavior. I don't think this...I didn't come here to put this bill forward specifically for that. It's for the issue, so we could have a legislative discussion. And despite her statements, her disregard for the voters was overwhelming in that, in those comments. I like them sometimes when I happen to agree with the issues, but the other times I don't. And where is this 80 percent vote? I live in Fremont daily. I'll be going back there, treacherously, today. Eighty percent? I think we're all wiser than that. I can't think of anything that gets 80 percent. That was a shameful reply to some...for an issue that was brought to her, to them. And she's the spokesperson, I get that; it's not a personal attack. If her board came up with that, they've got some issues. This is about voters and an election. And whatever we implement, I think we should listen to voters. And everything wrong with politics just happened right now. Don't listen to the voters, they're right only when I'm right--I think that's wrong. I'll take questions if you have any. [LB1011]

SENATOR MCGILL: Any final questions? I don't see any. [LB1011]

SENATOR JANSSEN: Thank you. [LB1011]

SENATOR MCGILL: Thank you, Senator Janssen, for visiting us here in Urban Affairs. [LB1011]

SENATOR JANSSEN: Thank you, and "1011," by the way. (Laughter) [LB1011]

SENATOR MCGILL: All right. Jono, are you here for Senator Ashford or is he going to come open? [LB1011]

JONO BRADFORD: I'm here for Senator Ashford. [LB1096]

SENATOR MCGILL: Okay. I know that he is... [LB1096]

JONO BRADFORD: In meetings. [LB1096]

SENATOR MCGILL: ...in some other meetings... [LB1096]

JONO BRADFORD: Absolutely. [LB1096]

SENATOR MCGILL: ...right now. So, Jono is here to open on LB1096. [LB1096]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Urban Affairs Committee  
February 04, 2014

---

JONO BRADFORD: Thank you. Chairwoman McGill, members of the Urban Affairs Committee, my name is Jono Bradford. That is spelled J-o-n-o B-r-a-d-f-o-r-d. I am legislative aide to Senator Brad Ashford, District 20, Omaha, Nebraska. As stated previously, he is unable to be here due to a meeting. I am here today to introduce LB1096. That bill is related to the Business Improvement District Act. LB1096 would allow business improvement districts the opportunity to expand current boundaries. A question of boundary expansion would have to be presented to each owner of the taxable property within that current boundary. Upon approval of expanding within that current boundary by property owners, the question of expansion then would be presented to those property owners within the new boundary of expansion. A majority approval of property owners would be needed. Final approval of any proposed expansion would have to be approved by the board of the business improvement district. With that I will close and hopefully answer any questions you have. [LB1096]

SENATOR MCGILL: Any questions? I don't see any. Short and sweet. [LB1096]

SENATOR CRAWFORD: Oh, actually, I (inaudible)... [LB1012]

JONO BRADFORD: Oh, I think Senator Crawford has one. [LB1096]

SENATOR MCGILL: Oh, Senator. [LB1096]

SENATOR CRAWFORD: I was curious...it talks about everybody...a majority approving. I didn't see any voting mechanism. Or is it a response mechanism? Or how are people letting you know? How do we get to a majority? I guess, I didn't see that in the bill. [LB1096]

JONO BRADFORD: As I understand it, say you and I own businesses, along with Senator Krist, within a current...let's say the Dundee district. But we want to expand farther down maybe to the Saddle Creek district in Omaha, and Senator McGill and Senator Karpisek might own businesses at that time. Upon us, we would have to approve to expand that boundary down there. Once we, within Dundee, say we wanted to expand down to Saddle Creek--maybe where the new Target development was--we would go to Senator Karpisek and Senator Coash to see if they would be within agreeing, and then that would have to be approved, as my understanding is, by the board of the business improvement district. [LB1096]

SENATOR CRAWFORD: So your contact...I guess I was just curious. And maybe there are other statutes that govern this in terms of how we actually know if they approve it or not, like you send them a letter and they send one back. I mean, I just was kind of curious how that process... [LB1096]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Urban Affairs Committee  
February 04, 2014

---

JONO BRADFORD: I'm sure there is a process. I do not know it. [LB1096]

SENATOR CRAWFORD: Okay. [LB1096]

JONO BRADFORD: I do not know it. [LB1096]

SENATOR CRAWFORD: Okay. All right. Thank you. [LB1096]

SENATOR MCGILL: All right. Any other questions? I don't see any. You're going to waive closing, as well? [LB1096]

JONO BRADFORD: I'm going to waive closing because I don't believe there is anyone else to testify, as I...to my knowledge, so. [LB1096]

SENATOR MCGILL: (Exhibit 1) Wow. Well, then this is a warning to Senator Schilz and his staff to get down here. But is there anyone here in support of LB1096? I do have a letter of support to read into the record from the Omaha Downtown Improvement District Association. Again, that's in support. Is there anyone here in opposition? Anyone here neutral? And Jono has waived closing on behalf of Senator Ashford. So we will sit at ease for a moment while we wait for Senator Schilz who is probably not prepared and expected right now. Okay. Senator Schilz is busy in Ag, correct? (See also Exhibits 2 and 3.) [LB1096]

MELISSA HILTY: Yes. [LB1012]

SENATOR MCGILL: So you're here to open on LB1012. [LB1012]

MELISSA HILTY: Yes. [LB1012]

SENATOR MCGILL: All right, Melissa. [LB1012]

MELISSA HILTY: Good afternoon, Madam Chair and members of the Urban Affairs Committee. My name is Melissa Hilty, M-e-l-i-s-s-a H-i-l-t-y. I am legislative aide to Senator Ken Schilz of District 47. I'm here to introduce Senator Schilz's bill, LB1012, which would exclude redevelopment projects involving a formerly used defense site, as authorized under Nebraska Revised Statute 18-2123, from counting towards the percentage of limitations from a city's blighted property. It was brought to the senator's attention by Laurie, the legal counsel of the committee, and individuals who are attempting to utilize this process that there was a possible limitation we did not catch last year under LB66. LB66 created the process for a city to use TIF outside of the city boundaries only in the limited instance of a formerly used defense site inside of a sanitary improvement district. However, with the passage of LB66, it is currently unclear if one of these projects would count towards the percentage of limitations from a city's

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Urban Affairs Committee  
February 04, 2014

---

blighted property and possibly not allow a city to move forward with the process. The senator wants to thank Mike Bacon, Gary Person, and the committee's legal counsel for bringing this to his attention and helping us further allow cities to take part in the process to redevelop formerly used defense sites. Thank you, and I'll be happy to answer any questions. [LB1012]

SENATOR MCGILL: All right. Thank you, Melissa. Any questions? Senator Crawford. [LB1012]

SENATOR CRAWFORD: Thank you, Chairwoman McGill. I have lots of questions today. I was just curious, since it was outside of the city limits, why we're concerned about the percent of TIFed in city limits. [LB1012]

MELISSA HILTY: Well, it was...I think the question is, is that it's just not clear. [LB1012]

SENATOR CRAWFORD: Okay. [LB1012]

MELISSA HILTY: It's not really clear with...since it is outside and the question is there and they're just not sure...I mean, most of those sites are outside city limits and I know they're just wanting some clarity in being able to go forward with the process. So it's my understanding that that's just trying...we're just trying to clarify and make sure that that...it definitely will not count. [LB1012]

SENATOR CRAWFORD: Okay. Thank you. [LB1012]

SENATOR MCGILL: Senator Krist. [LB1012]

SENATOR KRIST: There is no current exemption for the 35 percent limit on TIF projects, so it is unclear whether this being outside or inside would count against them coming in. It was intended never...legislative intent was never to include it in there because it wasn't inside the city limits. The issue is, and we may hear about it, the issue is, how does this play into the supportive school districts, the taxation, and all of those kinds of things. So although it's not a black-and-white issue that is...can be exempted or not, it is a concern that needs to be defined in law. And you're right to bring it forward to make sure that we do that for the future because there are situations with former defense sites in the state where one municipality could reach out in four or five different directions and over TIF to the point where they're affecting the school districts that would be in that area. So how do we do that? That's really the discussion for...I didn't want to... [LB1012]

SENATOR MCGILL: We can draw some charts in a... [LB1012]

SENATOR KRIST: Draw (inaudible)...(laugh). [LB1012]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Urban Affairs Committee  
February 04, 2014

---

SENATOR MCGILL: ...in Exec Session and... [LB1012]

SENATOR KRIST: Didn't want to steal your thunder, but... [LB1012]

MELISSA HILTY: No. Thank you, Senator Krist. I...you helped us last year, so you know. [LB1012]

SENATOR MCGILL: No. That was well explained. [LB1012]

SENATOR CRAWFORD: Yes. Thank you. [LB1012]

SENATOR MCGILL: Any other thoughts or questions? I don't see any. Thank you, Melissa. [LB1012]

MELISSA HILTY: All right. Yeah. [LB1012]

SENATOR MCGILL: (Exhibits 4 and 5) First proponent. Actually, I'll read a couple of letters of support into the record while Ms. Rex comes up. We have a letter of support from the city of Sidney. That's a big surprise. And a letter of support from Bacon Vinton Attorneys at Law. [LB1012]

LYNN REX: Senator McGill, members of the committee, my name is Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraska Municipalities. We strongly support this bill. We appreciate legal counsel raising the issue and bringing this to the consideration of everyone. And thanks, Senator Krist, last year for coming up with this rather innovative solution, frankly, to dealing with former defense sites that are located outside of cities because it is an extremely important issue throughout the state. I think there may be eight to ten cities that ultimately could be impacted. And this is express. And I think that the main reason for this is not only is it necessary to have the clarification, but it makes bond counsel sleep easier. And when they're happy, we're happy. So with that, I'd be happy to respond to any questions you might have. [LB1012]

SENATOR MCGILL: Any questions from the committee? I don't see any. Thank you, Lynn. [LB1012]

LYNN REX: Thank you. [LB1012]

SENATOR MCGILL: Next proponent. [LB1012]

RON SEDLACEK: Thank you, Chairman McGill and members of the Urban Affairs Committee. My name is Ron Sedlacek. I'm here on behalf...and that's spelled S-e-d-l-a-c-e-k. I'm here on behalf of the Nebraska Chamber of Commerce. And our

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Urban Affairs Committee  
February 04, 2014

---

economic development council has met and reviewed legislation and what particularly called our attention to by those local interests was this particular bill asked for our support. I have really nothing further to add on the bill other than that we would be supportive from their point of view. [LB1012]

SENATOR MCGILL: Okay, Ron. Any other...any questions? Nope. Thank you very much. [LB1012]

RON SEDLACEK: Thank you. [LB1012]

SENATOR MCGILL: Any other proponents? Anyone here in opposition? Anyone here neutral? Melissa, would you like to...she is waiving close. So that actually closes our hearings for the day in the Urban Affairs Committee. We will Exec here for probably about 20 minutes. [LB1012]