

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1115

Introduced by McKinney, 11.

Read first time January 19, 2022

Committee: Revenue

- 1 A BILL FOR AN ACT relating to property taxes; to require the development
- 2 of certain property in order for it to retain its property tax
- 3 exemption; to define terms; and to create a fund.
- 4 Be it enacted by the people of the State of Nebraska,

1 Section 1. (1) For purposes of this section:

2 (a) High-poverty area means an area consisting of one or more
3 contiguous census tracts, as determined by the most recent federal
4 decennial census, which contain a percentage of persons with incomes
5 below the poverty line of greater than thirty percent, and all census
6 tracts contiguous to such tract or tracts, as determined by the most
7 recent federal decennial census; and

8 (b) Underutilized tax-exempt property means any real property that
9 (i) is exempt from property taxes pursuant to subdivision (1)(a) or (1)
10 (d) of section 77-202 and (ii) is completely undeveloped or contains
11 deteriorating structures.

12 (2) Any owner of underutilized tax-exempt property located in a
13 high-poverty area shall develop or redevelop such property within three
14 years after the effective date of this act. For purposes of this
15 subsection, property shall be considered to have been developed or
16 redeveloped if the market value of the property increases by at least
17 twenty-five percent as a result of such development or redevelopment, as
18 determined by the Property Tax Administrator.

19 (3) If the owner does not develop or redevelop the underutilized
20 tax-exempt property as required in subsection (2) of this section:

21 (a) Such property shall lose its property tax exemption until it has
22 been developed or redeveloped as described in subsection (2) of this
23 section; and

24 (b) The owner shall pay a fine of two thousand five hundred dollars
25 to the Property Tax Administrator. The Property Tax Administrator shall
26 remit all fines received under this section to the State Treasurer for
27 credit to the High-Poverty Area Assistance Fund.

28 (4) The Property Tax Administrator shall enforce this section and
29 shall notify property owners when the Property Tax Administrator has
30 determined that a violation of this section has occurred. The Property
31 Tax Administrator's determination may be appealed, and the appeal shall

1 be in accordance with the Administrative Procedure Act.

2 (5) The Property Tax Administrator may adopt and promulgate rules
3 and regulations to carry out this section.

4 Sec. 2. The High-Poverty Area Assistance Fund is created. The fund
5 shall be administered by the Department of Health and Human Services and
6 shall consist of amounts credited to the fund pursuant to section 1 of
7 this act. The fund shall be used to provide mental health services,
8 family counseling services, financial literacy training, and mentoring
9 and tutoring services to individuals located in a high-poverty area. Any
10 money in the fund available for investment shall be invested by the state
11 investment officer pursuant to the Nebraska Capital Expansion Act and the
12 Nebraska State Funds Investment Act.