

One Hundred Ninth Legislature - Second Session - 2026

Introducer's Statement of Intent

LB988

Chairperson: Senator Terrell McKinney

Committee: Urban Affairs

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB988 seeks to reform the Tax Increment Financing component of the Community Development Law by restoring the original intent and purpose of Tax Increment Financing and by eliminating certain abuses of the Community Development Law.

The bill restores the original sense of a blighted property as being one containing at least one deteriorating structure. Because Nebraska State Statute 18-2103(4)(a) defines a blighted area as one containing “deteriorated or deteriorating structures,” agricultural and horticultural lands are not blighted by definition, and should never be declared as substandard and blighted or as extremely blighted properties. Therefore, the bill requires an inspector designated by the governing body to declare the structure on a property as uninhabitable before the property can be declared as blighted or as extremely blighted. An inspector may declare a structure to be uninhabitable if it is found to be unstable, allows for elemental intrusion, or if it contains a safety hazard.

The bill defines the effective date of a redevelopment project as the date when the governing body votes to approve the redevelopment project. The bill also prohibits an area from twice being declared as substandard and blighted or extremely blighted until 20 years has lapsed from the effective date of the redevelopment project.

The bill prohibits funds from a redevelopment project from being used to fund another redevelopment project. Once a redevelopment project has been paid off, the treasurer of the governing body must return any excess revenue to the appropriate taxing entity.

The bill prohibits the use of Tax Increment Financing for transportation projects unless first approved by a vote of the people. The bill further removes language from the current state statutes which allows for communities to liberally construe the Community Development Law.

The bill defines the debt and indebtedness incurred by a redevelopment project as referring to the principle of a loan or mortgage, the interest on a loan or mortgage, any premiums due on bonds, loans, mortgages, and notes, as well as any other financial liabilities which might occur from the redevelopment project for which taxes were collected and/or pledged.

Principal Introducer: _____

Senator Glen Meyer