

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

SECOND SESSION

**LEGISLATIVE BILL 918**

Introduced by Cornett, 45.

Read first time January 10, 2012

Committee:

A BILL

1 FOR AN ACT relating to the Community Development Law; to amend  
2 sections 18-2103 and 18-2113, Reissue Revised Statutes of  
3 Nebraska; to change provisions relating to limitations  
4 and analysis of redevelopment projects; and to repeal the  
5 original sections.  
6 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 18-2103, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           18-2103 For purposes of the Community Development Law,  
4 unless the context otherwise requires:

5           (1) An authority means any community redevelopment  
6 authority created pursuant to section 18-2102.01 and a city or  
7 village which has created a community development agency pursuant to  
8 the provisions of section 18-2101.01 and does not include a limited  
9 community redevelopment authority;

10           (2) Limited community redevelopment authority means a  
11 community redevelopment authority created pursuant to section  
12 18-2102.01 having only one single specific limited pilot project  
13 authorized;

14           (3) City means any city or incorporated village in the  
15 state;

16           (4) Public body means the state or any municipality,  
17 county, township, board, commission, authority, district, or other  
18 political subdivision or public body of the state;

19           (5) Governing body or local governing body means the city  
20 council, board of trustees, or other legislative body charged with  
21 governing the municipality;

22           (6) Mayor means the mayor of the city or chairperson of  
23 the board of trustees of the village;

24           (7) Clerk means the clerk of the city or village;

25           (8) Federal government means the United States of

1 America, or any agency or instrumentality, corporate or otherwise, of  
2 the United States of America;

3 (9) Area of operation means and includes the area within  
4 the corporate limits of the city and such land outside the city as  
5 may come within the purview of section 18-2123;

6 (10) Substandard areas means an area in which there is a  
7 predominance of buildings or improvements, whether nonresidential or  
8 residential in character, which, by reason of dilapidation,  
9 deterioration, age or obsolescence, inadequate provision for  
10 ventilation, light, air, sanitation, or open spaces, high density of  
11 population and overcrowding, or the existence of conditions which  
12 endanger life or property by fire and other causes, or any  
13 combination of such factors, is conducive to ill health, transmission  
14 of disease, infant mortality, juvenile delinquency, and crime, (which  
15 cannot be remedied through construction of prisons), and is  
16 detrimental to the public health, safety, morals, or welfare;

17 (11) Blighted area means an area, which (a) by reason of  
18 the presence of a substantial number of deteriorated or deteriorating  
19 structures, existence of defective or inadequate street layout,  
20 faulty lot layout in relation to size, adequacy, accessibility, or  
21 usefulness, insanitary or unsafe conditions, deterioration of site or  
22 other improvements, diversity of ownership, tax or special assessment  
23 delinquency exceeding the fair value of the land, defective or  
24 unusual conditions of title, improper subdivision or obsolete  
25 platting, or the existence of conditions which endanger life or

1 property by fire and other causes, or any combination of such  
2 factors, substantially impairs or arrests the sound growth of the  
3 community, retards the provision of housing accommodations, or  
4 constitutes an economic or social liability and is detrimental to the  
5 public health, safety, morals, or welfare in its present condition  
6 and use and (b) in which there is at least one of the following  
7 conditions: (i) Unemployment in the designated area is at least one  
8 hundred twenty percent of the state or national average; (ii) the  
9 average age of the residential or commercial units in the area is at  
10 least forty years; (iii) more than half of the plotted and subdivided  
11 property in an area is unimproved land that has been within the city  
12 for forty years and has remained unimproved during that time; (iv)  
13 the per capita income of the area is lower than the average per  
14 capita income of the city or village in which the area is designated;  
15 or (v) the area has had either stable or decreasing population based  
16 on the last two decennial censuses. ~~In no event shall a city of the~~  
17 ~~metropolitan, primary, or first class designate more than thirty five~~  
18 ~~percent of the city as blighted, a city of the second class shall not~~  
19 ~~designate an area larger than fifty percent of the city as blighted,~~  
20 ~~and a village shall not designate an area larger than one hundred~~  
21 ~~percent of the village as blighted; A city or village shall not~~  
22 ~~designate as blighted more than seven percent of the total actual~~  
23 ~~value of real and personal property of any political subdivision as~~  
24 ~~determined in section 18-2113;~~

25 (12) Redevelopment project means any work or undertaking

1 in one or more community redevelopment areas: (a) To acquire  
2 substandard and blighted areas or portions thereof, including lands,  
3 structures, or improvements the acquisition of which is necessary or  
4 incidental to the proper clearance, development, or redevelopment of  
5 such substandard and blighted areas; (b) to clear any such areas by  
6 demolition or removal of existing buildings, structures, streets,  
7 utilities, or other improvements thereon and to install, construct,  
8 or reconstruct streets, utilities, parks, playgrounds, public spaces,  
9 public parking facilities, sidewalks or moving sidewalks, convention  
10 and civic centers, bus stop shelters, lighting, benches or other  
11 similar furniture, trash receptacles, shelters, skywalks and  
12 pedestrian and vehicular overpasses and underpasses, and any other  
13 necessary public improvements essential to the preparation of sites  
14 for uses in accordance with a redevelopment plan; (c) to sell, lease,  
15 or otherwise make available land in such areas for residential,  
16 recreational, commercial, industrial, or other uses, including  
17 parking or other facilities functionally related or subordinate to  
18 such uses, or for public use or to retain such land for public use,  
19 in accordance with a redevelopment plan; and may also include the  
20 preparation of the redevelopment plan, the planning, survey, and  
21 other work incident to a redevelopment project and the preparation of  
22 all plans and arrangements for carrying out a redevelopment project;  
23 (d) to dispose of all real and personal property or any interest in  
24 such property, or assets, cash, or other funds held or used in  
25 connection with residential, recreational, commercial, industrial, or

1 other uses, including parking or other facilities functionally  
2 related or subordinate to such uses, or any public use specified in a  
3 redevelopment plan or project, except that such disposition shall be  
4 at its fair value for uses in accordance with the redevelopment plan;  
5 (e) to acquire real property in a community redevelopment area which,  
6 under the redevelopment plan, is to be repaired or rehabilitated for  
7 dwelling use or related facilities, repair or rehabilitate the  
8 structures, and resell the property; and (f) to carry out plans for a  
9 program of voluntary or compulsory repair and rehabilitation of  
10 buildings or other improvements in accordance with the redevelopment  
11 plan;

12 (13) Redevelopment plan means a plan, as it exists from  
13 time to time for one or more community redevelopment areas, or for a  
14 redevelopment project, which (a) conforms to the general plan for the  
15 municipality as a whole and (b) is sufficiently complete to indicate  
16 such land acquisition, demolition and removal of structures,  
17 redevelopment, improvements, and rehabilitation as may be proposed to  
18 be carried out in the community redevelopment area, zoning and  
19 planning changes, if any, land uses, maximum densities, and building  
20 requirements;

21 (14) Redeveloper means any person, partnership, or public  
22 or private corporation or agency which enters or proposes to enter  
23 into a redevelopment contract;

24 (15) Redevelopment contract means a contract entered into  
25 between an authority and a redeveloper for the redevelopment of an

1 area in conformity with a redevelopment plan;

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

8 (17) Bonds means any bonds, including refunding bonds,  
9 notes, interim certificates, debentures, or other obligations issued  
10 pursuant to the Community Development Law except for bonds issued  
11 pursuant to section 18-2142.04;

12 (18) Obligee means any bondholder, agent, or trustee for  
13 any bondholder, or lessor demising to any authority, established  
14 pursuant to section 18-2102.01, property used in connection with a  
15 redevelopment project, or any assignee or assignees of such lessor's  
16 interest or any part thereof, and the federal government when it is a  
17 party to any contract with such authority;

18 (19) Person means any individual, firm, partnership,  
19 limited liability company, corporation, company, association, joint-  
20 stock association, or body politic and includes any trustee,  
21 receiver, assignee, or other similar representative thereof;

22 (20) Community redevelopment area means a substandard and  
23 blighted area which the community redevelopment authority designates  
24 as appropriate for a renewal project;

25 (21) Redevelopment project valuation means the valuation

1 for assessment of the taxable real property in a redevelopment  
2 project last certified for the year prior to the effective date of  
3 the provision authorized in section 18-2147;

4 (22) Enhanced employment area means an area not exceeding  
5 six hundred acres (a) within a community redevelopment area which is  
6 designated by an authority as eligible for the imposition of an  
7 occupation tax or (b) not within a community redevelopment area as  
8 may be designated under section 18-2142.04;

9 (23) Employee means a person employed at a business as a  
10 result of a redevelopment project;

11 (24) Employer-provided health benefit means any item paid  
12 for by the employer in total or in part that aids in the cost of  
13 health care services, including, but not limited to, health  
14 insurance, health savings accounts, and employer reimbursement of  
15 health care costs;

16 (25) Equivalent employees means the number of employees  
17 computed by (a) dividing the total hours to be paid in a year by (b)  
18 the product of forty times the number of weeks in a year;

19 (26) Business means any private business located in an  
20 enhanced employment area;

21 (27) New investment means the value of improvements to  
22 real estate made in an enhanced employment area by a developer or a  
23 business;

24 (28) Number of new employees means the number of  
25 equivalent employees that are employed at a business as a result of



1 the redevelopment project during a year that are in excess of the  
2 number of equivalent employees during the year immediately prior to  
3 the year that a redevelopment plan is adopted; and

4 (29) Occupation tax means a tax imposed under section  
5 18-2142.02.

6 Sec. 2. Section 18-2113, Reissue Revised Statutes of  
7 Nebraska, is amended to read:

8 18-2113 (1) Prior to recommending a redevelopment plan to  
9 the governing body for approval, an authority shall consider whether  
10 the proposed land uses and building requirements in the redevelopment  
11 project area are designed with the general purpose of accomplishing,  
12 in conformance with the general plan, a coordinated, adjusted, and  
13 harmonious development of the city and its environs which will, in  
14 accordance with present and future needs, promote health, safety,  
15 morals, order, convenience, prosperity, and the general welfare, as  
16 well as efficiency and economy in the process of development,  
17 including, among other things, adequate provision for traffic,  
18 vehicular parking, the promotion of safety from fire, panic, and  
19 other dangers, adequate provision for light and air, the promotion of  
20 the healthful and convenient distribution of population, the  
21 provision of adequate transportation, water, sewerage, and other  
22 public utilities, schools, parks, recreational and community  
23 facilities, and other public requirements, the promotion of sound  
24 design and arrangement, the wise and efficient expenditure of public  
25 funds, and the prevention of the recurrence of insanitary or unsafe

1 dwelling accommodations or conditions of blight.

2 (2) An authority shall conduct an analysis for each  
3 proposed redevelopment project the redevelopment plan of which  
4 includes the use of funds authorized by section 18-2147. In  
5 conducting the analysis, the authority shall determine (a) the  
6 redevelopment project valuation, (b) the projected excess value of  
7 the redevelopment project, (c) the current year total actual value of  
8 real and personal property of each political subdivision in which the  
9 redevelopment project will be located, and (d) the total excess value  
10 of all current redevelopment projects which have been approved by the  
11 authority and will continue to be using funds authorized by section  
12 18-2147 in the tax year in which the proposed redevelopment project  
13 will be authorized. The combination of current and proposed  
14 redevelopment projects' excess value shall not exceed seven percent  
15 of the total actual value of real and personal property of any  
16 political subdivision in which the proposed redevelopment project  
17 will be located, including the authorizing political subdivision.

18 ~~(2) The authority shall conduct a cost benefit analysis~~  
19 ~~for each redevelopment project whose redevelopment plan includes the~~  
20 ~~use of funds authorized by section 18-2147. In conducting the cost-~~  
21 ~~benefit analysis, the authority shall use a cost benefit model~~  
22 ~~developed for use by local projects. Any cost-benefit model used by~~  
23 ~~the authority shall consider and analyze the following factors:~~

24 ~~(a) Tax shifts resulting from the approval of the use of~~  
25 ~~funds pursuant to section 18-2147;~~

1                   ~~(b) Public infrastructure and community public service~~  
2 ~~needs impacts and local tax impacts arising from the approval of the~~  
3 ~~redevelopment project;~~

4                   ~~(c) Impacts on employers and employees of firms locating~~  
5 ~~or expanding within the boundaries of the area of the redevelopment~~  
6 ~~project;~~

7                   ~~(d) Impacts on other employers and employees within the~~  
8 ~~city or village and the immediate area that are located outside of~~  
9 ~~the boundaries of the area of the redevelopment project; and~~

10                   ~~(e) Any other impacts determined by the authority to be~~  
11 ~~relevant to the consideration of costs and benefits arising from the~~  
12 ~~redevelopment project.~~

13                   Sec. 3. Original sections 18-2103 and 18-2113, Reissue  
14 Revised Statutes of Nebraska, are repealed.