

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1042

Introduced by Friesen, 34.

Read first time January 20, 2016

Committee:

- 1 A BILL FOR AN ACT relating to tax-increment financing; to amend sections
2 18-2116 and 79-1016, Reissue Revised Statutes of Nebraska; to change
3 Community Development Law provisions relating to approval of
4 redevelopment plans involving tax-increment financing; to change
5 provisions under the Tax Equity and Educational Opportunities
6 Support Act relating to the taxable value certified by county
7 assessors; and to repeal the original sections.
8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 18-2116, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 18-2116 (1) Following such hearing, the governing body may approve a
4 redevelopment plan if (a) it finds that the plan is feasible and in
5 conformity with the general plan for the development of the city as a
6 whole and the plan is in conformity with the legislative declarations and
7 determinations set forth in the Community Development Law and (b) it
8 finds that, if the plan uses funds authorized in section 18-2147, (i) the
9 redevelopment project in the plan would not be economically feasible
10 without the use of tax-increment financing, (ii) the redevelopment
11 project would not occur in the community redevelopment area without the
12 use of tax-increment financing, and (iii) the costs and benefits of the
13 redevelopment project, including costs and benefits to other affected
14 political subdivisions, the economy of the community, and the demand for
15 public and private services have been analyzed by the governing body and
16 have been found to be in the long-term best interest of the community
17 impacted by the redevelopment project.

18 (2) In connection with the approval of any redevelopment plan which
19 includes the use of tax-increment financing as authorized in section
20 18-2147, the governing body may approve the redevelopment plan if such
21 plan has been approved by the county board of equalization of the county
22 that would be directly affected by the tax-increment financing. The
23 county board of equalization may approve such plan if it meets all
24 statutory requirements for tax-increment financing imposed under the
25 Community Development Law.

26 (3 2) In connection with the approval of any redevelopment plan
27 which includes the designation of an enhanced employment area, the
28 governing body may approve the redevelopment plan if it determines that
29 any new investment within such enhanced employment area will result in at
30 least (a) two new employees and new investment of one hundred twenty-five
31 thousand dollars in counties with fewer than fifteen thousand

1 inhabitants, (b) five new employees and new investment of two hundred
2 fifty thousand dollars in counties with at least fifteen thousand
3 inhabitants but fewer than twenty-five thousand inhabitants, (c) ten new
4 employees and new investment of five hundred thousand dollars in counties
5 with at least twenty-five thousand inhabitants but fewer than fifty
6 thousand inhabitants, (d) fifteen new employees and new investment of one
7 million dollars in counties with at least fifty thousand inhabitants but
8 fewer than one hundred thousand inhabitants, (e) twenty new employees and
9 new investment of one million five hundred thousand dollars in counties
10 with at least one hundred thousand inhabitants but fewer than two hundred
11 thousand inhabitants, (f) twenty-five new employees and new investment of
12 two million dollars in counties with at least two hundred thousand
13 inhabitants but fewer than four hundred thousand inhabitants, or (g)
14 thirty new employees and new investment of three million dollars in
15 counties with at least four hundred thousand inhabitants. Any business
16 that has one hundred thirty-five thousand square feet or more and annual
17 gross sales of ten million dollars or more shall provide an employer-
18 provided health benefit of at least three thousand dollars annually to
19 all new employees who are working thirty hours per week or more on
20 average and have been employed at least six months. In making such
21 determination, the governing body may rely upon written undertakings
22 provided by any redeveloper in connection with application for approval
23 of the redevelopment plan.

24 Sec. 2. Section 79-1016, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 79-1016 (1) On or before August 25, the county assessor shall
27 certify to the Property Tax Administrator the total taxable value by
28 school district in the county for the current assessment year on forms
29 prescribed by the Tax Commissioner. The county assessor shall include in
30 such certification the current assessed valuation of any taxable real
31 property which is having its property taxes divided under section 18-2147

1 rather than such property's redevelopment project valuation as defined in
2 section 18-2103. The county assessor may amend the filing for changes
3 made to the taxable valuation of the school district in the county if
4 corrections or errors on the original certification are discovered.
5 Amendments shall be certified to the Property Tax Administrator on or
6 before September 30.

7 (2) On or before October 10, the Property Tax Administrator shall
8 compute and certify to the State Department of Education the adjusted
9 valuation for the current assessment year for each class of property in
10 each school district and each local system. The adjusted valuation of
11 property for each school district and each local system, for purposes of
12 determining state aid pursuant to the Tax Equity and Educational
13 Opportunities Support Act, shall reflect as nearly as possible state aid
14 value as defined in subsection (3) of this section. The Property Tax
15 Administrator shall notify each school district and each local system of
16 its adjusted valuation for the current assessment year by class of
17 property on or before October 10. Establishment of the adjusted valuation
18 shall be based on the taxable value certified by the county assessor for
19 each school district in the county adjusted by the determination of the
20 level of value for each school district from an analysis of the
21 comprehensive assessment ratio study or other studies developed by the
22 Property Tax Administrator, in compliance with professionally accepted
23 mass appraisal techniques, as required by section 77-1327. The Tax
24 Commissioner shall adopt and promulgate rules and regulations setting
25 forth standards for the determination of level of value for state aid
26 purposes.

27 (3) For purposes of this section, state aid value means:

28 (a) For real property other than agricultural and horticultural
29 land, ninety-six percent of actual value;

30 (b) For agricultural and horticultural land, seventy-two percent of
31 actual value as provided in sections 77-1359 to 77-1363. For agricultural

1 and horticultural land that receives special valuation pursuant to
2 section 77-1344, seventy-two percent of special valuation as defined in
3 section 77-1343; and

4 (c) For personal property, the net book value as defined in section
5 77-120.

6 (4) On or before November 10, any local system may file with the Tax
7 Commissioner written objections to the adjusted valuations prepared by
8 the Property Tax Administrator, stating the reasons why such adjusted
9 valuations are not the valuations required by subsection (3) of this
10 section. The Tax Commissioner shall fix a time for a hearing. Either
11 party shall be permitted to introduce any evidence in reference thereto.
12 On or before January 1, the Tax Commissioner shall enter a written order
13 modifying or declining to modify, in whole or in part, the adjusted
14 valuations and shall certify the order to the State Department of
15 Education. Modification by the Tax Commissioner shall be based upon the
16 evidence introduced at hearing and shall not be limited to the
17 modification requested in the written objections or at hearing. A copy of
18 the written order shall be mailed to the local system within seven days
19 after the date of the order. The written order of the Tax Commissioner
20 may be appealed within thirty days after the date of the order to the Tax
21 Equalization and Review Commission in accordance with section 77-5013.

22 (5) On or before November 10, any local system or county official
23 may file with the Tax Commissioner a written request for a nonappealable
24 correction of the adjusted valuation due to clerical error as defined in
25 section 77-128 or, for agricultural and horticultural land, assessed
26 value changes by reason of land qualified or disqualified for special use
27 valuation pursuant to sections 77-1343 to 77-1347.01. On or before the
28 following January 1, the Tax Commissioner shall approve or deny the
29 request and, if approved, certify the corrected adjusted valuations
30 resulting from such action to the State Department of Education.

31 (6) On or before May 31 of the year following the certification of

1 adjusted valuation pursuant to subsection (2) of this section, any local
2 system or county official may file with the Tax Commissioner a written
3 request for a nonappealable correction of the adjusted valuation due to
4 changes to the tax list that change the assessed value of taxable
5 property. Upon the filing of the written request, the Tax Commissioner
6 shall require the county assessor to recertify the taxable valuation by
7 school district in the county on forms prescribed by the Tax
8 Commissioner. The recertified valuation shall be the valuation that was
9 certified on the tax list, pursuant to section 77-1613, increased or
10 decreased by changes to the tax list that change the assessed value of
11 taxable property in the school district in the county in the prior
12 assessment year. On or before the following July 31, the Tax Commissioner
13 shall approve or deny the request and, if approved, certify the corrected
14 adjusted valuations resulting from such action to the State Department of
15 Education.

16 (7) No injunction shall be granted restraining the distribution of
17 state aid based upon the adjusted valuations pursuant to this section.

18 (8) A school district whose state aid is to be calculated pursuant
19 to subsection (5) of this section and whose state aid payment is
20 postponed as a result of failure to calculate state aid pursuant to such
21 subsection may apply to the state board for lump-sum payment of such
22 postponed state aid. Such application may be for any amount up to one
23 hundred percent of the postponed state aid. The state board may grant the
24 entire amount applied for or any portion of such amount. The state board
25 shall notify the Director of Administrative Services of the amount of
26 funds to be paid in a lump sum and the reduced amount of the monthly
27 payments. The Director of Administrative Services shall, at the time of
28 the next state aid payment made pursuant to section 79-1022, draw a
29 warrant for the lump-sum amount from appropriated funds and forward such
30 warrant to the district.

31 Sec. 3. Original sections 18-2116 and 79-1016, Reissue Revised

1 Statutes of Nebraska, are repealed.