

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

SECOND SESSION

**LEGISLATIVE BILL 1132**

Introduced by McGill, 26; Schilz, 47.

Read first time January 19, 2012

Committee:

A BILL

1 FOR AN ACT relating to the Community Development Law; to amend  
2 section 18-2123, Reissue Revised Statutes of Nebraska,  
3 and section 18-2147, Revised Statutes Supplement, 2011;  
4 to provide an effective date for the division of ad  
5 valorem taxes for real property located outside the  
6 corporate boundaries of a city; to harmonize provisions;  
7 and to repeal the original sections.  
8 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 18-2123, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           18-2123 Upon a determination, by resolution, of the  
4 governing body of the city in which such land is located, that the  
5 acquisition and development of undeveloped vacant land, not within a  
6 substandard or blighted area, is essential to the proper clearance or  
7 redevelopment of substandard or blighted areas or a necessary part of  
8 the general community redevelopment program of the city, or that the  
9 acquisition and development of land outside the city, but within a  
10 radius of three miles thereof, is necessary or convenient to the  
11 proper clearance or redevelopment of one or more substandard or  
12 blighted areas within the city or is a necessary adjunct to the  
13 general community redevelopment program of the city, the acquisition,  
14 planning, ~~and preparation, for development,~~ or disposal of such land  
15 shall constitute a redevelopment project which may be undertaken by  
16 the authority in the manner provided in the foregoing sections.

17           Sec. 2. Section 18-2147, Revised Statutes Supplement,  
18 2011, is amended to read:

19           18-2147 (1) Any redevelopment plan as originally approved  
20 or as later modified pursuant to section 18-2117 may contain a  
21 provision that any ad valorem tax levied upon real property, or any  
22 portion thereof, in a redevelopment project for the benefit of any  
23 public body shall be divided, for a period not to exceed fifteen  
24 years after the effective date as identified in the project  
25 redevelopment contract or in the resolution of the authority

1 authorizing the issuance of bonds pursuant to section 18-2124, as  
2 follows:

3 (a) That portion of the ad valorem tax which is produced  
4 by the levy at the rate fixed each year by or for each such public  
5 body upon the redevelopment project valuation shall be paid into the  
6 funds of each such public body in the same proportion as are all  
7 other taxes collected by or for the body. When there is not a  
8 redevelopment project valuation on a parcel or parcels, the county  
9 assessor shall determine the redevelopment project valuation based  
10 upon the fair market valuation of the parcel or parcels as of January  
11 1 of the year prior to the year that the ad valorem taxes are to be  
12 divided. The county assessor shall provide written notice of the  
13 redevelopment project valuation to the authority as defined in  
14 section 18-2103 and the owner. The authority or owner may protest the  
15 valuation to the county board of equalization within thirty days  
16 after the date of the valuation notice. All provisions of section  
17 77-1502 except dates for filing of a protest, the period for hearing  
18 protests, and the date for mailing notice of the county board of  
19 equalization's decision are applicable to any protest filed pursuant  
20 to this section. The county board of equalization shall decide any  
21 protest filed pursuant to this section within thirty days after the  
22 filing of the protest. The county clerk shall mail a copy of the  
23 decision made by the county board of equalization on protests  
24 pursuant to this section to the authority or owner within seven days  
25 after the board's decision. Any decision of the county board of

1 equalization may be appealed to the Tax Equalization and Review  
2 Commission, in accordance with section 77-5013, within thirty days  
3 after the date of the decision;

4 (b) That portion of the ad valorem tax on real property,  
5 as provided in the redevelopment contract or bond resolution, in the  
6 redevelopment project in excess of such amount, if any, shall be  
7 allocated to and, when collected, paid into a special fund of the  
8 authority to be used solely to pay the principal of, the interest on,  
9 and any premiums due in connection with the bonds of, loans, notes,  
10 or advances of money to, or indebtedness incurred by, whether funded,  
11 refunded, assumed, or otherwise, such authority for financing or  
12 refinancing, in whole or in part, the redevelopment project. When  
13 such bonds, loans, notes, advances of money, or indebtedness,  
14 including interest and premiums due, have been paid, the authority  
15 shall so notify the county assessor and county treasurer and all ad  
16 valorem taxes upon taxable real property in such a redevelopment  
17 project shall be paid into the funds of the respective public bodies;  
18 and

19 (c) Any interest and penalties due for delinquent taxes  
20 shall be paid into the funds of each public body in the same  
21 proportion as are all other taxes collected by or for the public  
22 body.

23 (2) The effective date of a provision dividing ad valorem  
24 taxes as provided in subsection (1) of this section shall not occur  
25 until such time as the (a) real property in the redevelopment project

1 is within the corporate boundaries of the city or (b) approval of the  
2 redevelopment project has been granted by the county board of the  
3 county in which the real property is located if such property is  
4 within a radius of three miles of the boundaries of the city as  
5 described in section 18-2123.

6 (3) Beginning August 1, 2006, all notices of the  
7 provision for dividing ad valorem taxes shall be sent by the  
8 authority to the county assessor on forms prescribed by the Property  
9 Tax Administrator. The notice shall be sent to the county assessor on  
10 or before August 1 of the year of the effective date of the  
11 provision. Failure to satisfy the notice requirement of this section  
12 shall result in the taxes, for all taxable years affected by the  
13 failure to give notice of the effective date of the provision,  
14 remaining undivided and being paid into the funds for each public  
15 body receiving property taxes generated by the property in the  
16 redevelopment project. However, the redevelopment project valuation  
17 for the remaining division of ad valorem taxes in accordance with  
18 subdivisions (1)(a) and (b) of this section shall be the last  
19 certified valuation for the taxable year prior to the effective date  
20 of the provision to divide the taxes for the remaining portion of the  
21 fifteen-year period pursuant to subsection (1) of this section.

22 Sec. 3. Original section 18-2123, Reissue Revised  
23 Statutes of Nebraska, and section 18-2147, Revised Statutes  
24 Supplement, 2011, are repealed.