

LEGISLATIVE BULLETIN

LEAGUE OF NEBRASKA MUNICIPALITIES

108th Legislature, First Session

May 19, 2023 - Bulletin 20



ITEMS OF INTEREST TO MUNICIPALITIES

- **LB 727:** Revenue Committee package of bills advances to next round of debate
- **LB 531:** Additional amendments filed on Select File

NOT ALL ITEMS OF INTEREST ARE INCLUDED ON THIS LIST.
ALSO SEE THE REMAINDER OF THE LEGISLATIVE BULLETIN.

LB 727: Revenue Committee package of bills advances to next round of debate

This week, the Legislature debated a Revenue Committee priority bill **LB 727**. The bill included a large committee amendment, AM1152, that incorporated 20 additional bills. **Thanks to Elkhorn Sen. Lou Ann Linehan, Chair of the Revenue Committee, and other members of the Committee for including several League-supported bills into AM1152.**

Thanks to Lincoln **Sen. Eliot Bostar** and other members of the Revenue Committee who voted on April 17 to include in the proposed amendments to the Standing Committee Amendments and AM 1396 the **provisions of a negotiated agreement between the League and the Nebraska Arts Council to provide maximum flexibility to the Nebraska Arts Council in distributing funds from state turnback tax to municipalities with “certified creative districts,” including the Civic and Community Center Financing Fund (CCCFF) grants in FY 23-24.** Due to passage of LB 927 in the 2022 session, only municipalities with “certified creative districts” are eligible to receive CCCFF grants in FY 23-24; this eligibility requirement for CCCFF grants relating to “certified creative districts” will not apply after

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2023 LEGISLATIVE SESSION



*Sen. Lou Ann Linehan
District 39*



*Sen. Eliot Bostar
District 29*

LB 531: Additional amendments filed on Select File

LB 531, introduced by **Omaha Sen. Terrell McKinney**, allocates over \$300 million to entities in North and South Omaha to respond to the negative impact of the COVID-19 public health emergency and to “build resilient and innovative communities.” LB 531 cleans up language in the Economic Recovery Act (LB 1024 (2022)) by removing certain requirements relating to coordinated plans and directing direct investment to the fund after July 1st, 2023.

On the first round of debate, two bills of interest to municipalities were attached to the bill through AM1222. One bill was **LB 506** which appropriate \$180 million to the Nebraska Department of Natural Resources to assist the city of Lincoln in securing their second water source. **Lincoln Sen. Eliot Bostar** introduced LB 506 to help pay for costs such as a water treatment plan; water treatment, transmission, and distribution in furtherance of supplying additional water; land acquisition; permitting; a wellfield; and pumping and transportation of water over 25 miles for the purpose of providing potable water. Sen. Bostar has indicated that other municipalities have



*Sen. Terrell McKinney
District 11*



*Sen. Myron Dorn
District 30*



*Sen. Tom Brandt
District 32*

expressed interest in joining in this project to create a regional water supply network. **LB 769**, introduced by Bellevue **Sen. Rick Holdcroft**, was also amended into LB 531 on the first round of debate. LB 769 provides grants to an entity formed under the Interlocal Cooperation Act to fund a portion of the cost of constructing a wastewater system. The amendment appropriates \$15 million to the Shovel-Ready Capitol Recovery and Investment Fund for funding to construct such a project.

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FY 23-24. The amendments also expand who is eligible to receive funds under the Support the Arts Cash Fund to include cities of the second class and villages.

Some of the 20 bills included in AM1152 (the Standing Committee Amendments to LB 727) are League-supported or of interest to municipalities:

- **LB 100** (Erdman) amends the **ImagiNE Nebraska Act** to include locations when the primary business activities are waste treatment and disposal; this bill was introduced by Sen. Erdman on behalf of the City of Kimball and Kimball County.
- **LB 384** (Bostar) creates, funds and regulates the spending of a newly formed **Department of Transportation Aeronautics Capital Improvement Fund**. The bill turns back sales taxes relating to aeronautics sales; LB 384 was supported by the City of Blair, Blair Airport Authority, Nebraska Aeronautics Commission and others.
- **LB 447** (Bostar) amends current law to allow retired firefighters **a deduction for health insurance premiums paid and to allow for tuition waivers for firefighters and dependents of law enforcement officers and firefighters**. LB 447 was introduced on behalf of the Nebraska Professional Fire Fighters Association, Nebraska Sheriffs Association, Police Chiefs Association of Nebraska, Police Officers Association of Nebraska, the League of Nebraska Municipalities, Nebraska Association of County Officials and several other organizations.
- **LB 580** (Holdcroft) as amended by AM634 eliminates **special requirements for agricultural or horticultural land** in sanitary improvement districts (SIDs), cities, or villages required to receive special valuation under the statutes; AM634 adds an effective date retroactive to Jan. 1, 2023.
- **LB 692** (Linehan) as amended by AM1012 creates the **Good Life Transformational Projects Act**, establishing a new statutory system to allow for state assistance to certain projects within a “good life district” that meet certain benchmarks. AM1012 replaces the original bill, keeps the concept of “good life districts” and adds a revised schedule of required investment, required new jobs, and required apparent sales from outside the state for different municipalities as shown below: **Project eligibility** is contingent on the following: **Development costs:** (i) \$1 billion if the project will

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HOW A BILL BECOMES A LAW



LB 727*Continued from page 3*

be located in a city of the metropolitan class; (ii) \$750 million if the project will be located in a city of the primary class; (iii) \$500 million if the project will be located in a city of the first class, city of the second class, or village within a county with a population of 100,000 inhabitants or more; or (iv) \$100 million if the project will be located in a city of the first class, city of the second class, or village within a county with a population of less than 100,000 inhabitants. **Jobs created:** (i) 1,000 new jobs if the project will be located in a city of the metropolitan class; (ii) 500 new jobs if the project will be located in a city of the primary class; (iii) 250 new jobs if the project will be located in a city of the first class, city of the second class, or village within a county with a population of 100,000 inhabitants or more; or (iv) 50 new jobs if the project will be located in a city of the first class, city of the second class, or village within a county with a population of less than 100,000 inhabitants. *The League testified in a neutral capacity on LB 692. Representatives of the City of Gretna, Sarpy County and others testified in support. No one testified in opposition to LB 692.*

- **LB 697** (Conrad) as amended by the Committee would amend provisions of the **Nebraska Job Creation and Mainstreet Revitalization Act**. The bill redefines historically significant real property to include at-grade or above ground structures. The bill redefines improvement to include projects with a total cost which equals or exceeds \$5,000. LB 697 also seeks to change the amount of nonrefundable credits being equal to 20% of eligible expenditures up to a maximum credit of \$1 million to the following: For historically significant real property located in a county that includes a city of the metropolitan class or a city of the primary class, the credit would be equal to 25% of eligible expenditures. For historically significant real property located in any other county, the credit would be equal to 30% of eligible expenditures. In all cases, the maximum credit allocated to any one project would be \$2 million. An amendment was added to include the portion of LB 213 that lowers the match required by the applicant under the Rural Workforce Housing Investment Act to 25% for all cities; and to replace the start and sunset dates with the start and sunset dates from LB 756.
- **LB 706** (Moser) as amended by AM692 creates new statutes that allow, under the **Build Nebraska Act, for issuing bonds up to \$450 million**, with a provision for \$35

million annually for debt service, for new roads projects, and harmonizes corresponding statutes to reflect the new sections. AM692 added a provision to extend the sunset date of the Build Nebraska Act to match with the sunset date of the new bonding under LB 706.

In addition to AM 1152 being adopted, the Legislature also adopted AM1396 which included additional bills of interest to municipalities. These additional bills include:

- **LB 732** (Bostar) as amended changes the Convention Center Facility Financing Assistance Act to extend the date for applications for assistance under the Act from Dec. 31, 2012, to Dec. 31, 2030; this provision relates to a proposed convention center in Lincoln. An amendment also was adopted to incorporate some of the provisions of LB 797, introduced by Sen. Wayne on behalf of the City of Omaha, to include the definition of “nearby retailer” to collect receipts within 600 yards of a “program area”; the amendment also defines a “program area” by a map or maps submitted with an application, applying such changes for collection of such state sales tax.
- **Provisions of LB 803** (von Gillern) **and LB 632** (McDonald) are included in the amendment to change the Sports Arena Facility Financing Assistance Act. These provisions expand the definition of eligible sports arena facility to include a privately owned concert venue. State assistance for privately owned sports arena facilities can only be used to pay back funds used for a nearby parking facility or to promote arts and cultural events that are open to the general public. The definition of political subdivision is also expanded to include a joint entity formed under the Interlocal Cooperation Act which includes a city, village or county as a member.
- **LB 529** (Hansen) as amended changes the Property Tax Request Act. At least one elected official from the municipality must attend the joint hearing and that elected official may be the designated representative. If the city has a quorum of elected officials present at joint hearing, it does not violate Open Meetings Act. The joint hearing will be held on or after September 14 and prior to September 24. If a city is participating in a joint public hearing, it is required to send information electronically to the county assessor by September 4. Each city is required to maintain a “prominently displayed and easily accessible link” on their website of the proposed budget. This requirement does not apply to a city with a population of less than 1000 inhabitants.

The bill was advanced to the next round of debate on a 44-0 vote. The Speaker announced the Legislature will debate this bill again next week. ■

LB 531

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On Select File, the additional amendments were filed to LB 531 that included the following bills of interest to municipalities:

- **LB 33** (Jacobson): Under the provisions of LB 33, a mayor in a city of the first class or a city of the second class can vote on any matter that requires either a majority of the city council or a majority vote of all the elected members of the city council if: (a) The mayor's vote is required due to the city council being equally divided (in other words, when there is a tie) or (b) A majority of the city council or majority of all the elected members cannot be reached due to absence, vacancy, or abstention of one or more city council members.
- **LB 45** (Dorn): LB 45 establishes the Revitalize Rural Nebraska Grant Program. Cities of the first class, second class, and villages may apply for a grant with the Department of Environment and Energy to demolish dilapidated commercial property, with priority given to cities of the second class and villages. The amendment allocates \$1 million for fiscal year 2023-24.
- **LB 98** (Jacobson): The provisions of LB 98 focus on micro-TIF and include changes relating to substandard and blighted declarations, allowing municipalities to establish an annual limit on the number of micro-TIF plans approved, removing the requirement that building permits be submitted with the micro-TIF application, allowing the governing body to determine whether to approve or deny the micro-TIF application, outlining reasons to deny a micro-TIF application, changing provisions relating to indebtedness, and allowing a city to revoke the resolution approving micro-TIF.
- **LB 223** (McKinney): LB 223 concerns the Municipal Density and Missing Middle Housing Act. It requires each city that adopts an affordable housing action plan to electronically submit their plan to the Urban Affairs Committee. The bill also requires cities include in their report efforts to implement an affordable housing action after such plan is adopted.
- **LB 346** (Brandt): This bill amends the Local Option Municipal Economic Development Act (LB840 plans). Under current law, if a municipality is under 2500 in population, the definition of qualifying business is much broader to include a business that derives its principal source of income from activities other than those specifically listed in the Act. LB 346 increases that number from 2500 or less inhabitants to 5000 or less inhabitants.
- **LB 532** (McKinney): LB 532, as amended, includes provisions relating to: designation of an extremely blighted area to be valid for no less than 25 years; allowing cities or authorities to develop guidelines for the consideration of redevelopment projects; including in the report to the governing body information on the estimated amount of outstanding indebtedness for each redevelopment project and the estimated date it will be paid in full; providing that TIF funds in a city of the metropolitan class used for new construction of housing for households below the median income within 600 yards of a streetcar or for single-family housing or condominiums are deemed related to the redevelopment project; outlining the process for "de-blighting" an area that has been declared substandard and blighted or extremely blighted; and beginning January 1, 2026, prohibiting new redevelopment plans in an area declared substandard and blighted for more than 30 years unless the city conducts a new study or analysis to determine if the area continues to qualify as substandard and blighted or extremely blighted. Also included in LB 532 is a provision that for cities other than Omaha, the housing study required to use TIF to construct workforce housing must be current within 60 months. Omaha will still need a housing study within 24 months.

These amendments were attached to LB 531 and the entire package was advanced to the final round of debate. ■

**Mark your calendars
for these League
conferences:**

**Municipal Accounting &
Finance Conference**
June 21-23
Cornhusker Marriott Hotel, Lincoln

Annual Conference
Sept. 27-29
Cornhusker Marriott Hotel, Lincoln