

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 288

FINAL READING

Introduced by Urban Affairs Committee: McKinney, 11, Chairperson;
Cavanaugh, J., 9; Clouse, 37; Quick, 35; Rountree, 3;
Sorrentino, 39.

Read first time January 15, 2025

Committee: Urban Affairs

1 A BILL FOR AN ACT relating to property; to amend sections 13-3202,
2 13-3203, 13-3204, 18-2102, 58-701, 58-708, 58-711, 81-1237, 81-1238,
3 81-1239, and 81-1240, Reissue Revised Statutes of Nebraska, and
4 sections 18-2101, 18-2101.02, 18-2103, and 72-805, Revised Statutes
5 Cumulative Supplement, 2024; to change legislative findings and
6 provisions relating to requirements for ordinances or resolutions
7 under the Property Assessed Clean Energy Act; to define and redefine
8 terms; to change provisions relating to redevelopment projects under
9 the Community Development Law; to change and provide provisions
10 under the Nebraska Affordable Housing Act relating to the
11 construction of new buildings, grants, and reports; to change
12 provisions relating to buildings constructed with state funds; to
13 change provisions relating to grant funding considerations and the
14 annual report under the Middle Income Workforce Housing Investment
15 Act; to harmonize provisions; to provide operative dates; and to
16 repeal the original sections.
17 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 13-3202, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 13-3202 The Legislature finds that:

4 (1) Energy efficiency, grid resiliency, and the use of renewable
5 energy are important for preserving the health and economic well-being of
6 Nebraska's citizens. Using less energy decreases the cost of living and
7 keeps the cost of public power low by delaying the need for additional
8 power plants. By building the market for energy efficiency, grid
9 resiliency, and renewable energy products, economic development will be
10 encouraged and new jobs will be created for Nebraskans in the energy
11 efficiency, grid resiliency, and renewable energy job sectors;

12 (2) To further these goals, the state should promote energy
13 efficiency improvements, grid resiliency improvements, and renewable
14 energy systems;

15 (3) The upfront costs for energy efficiency improvements, grid
16 resiliency improvements, and renewable energy systems prohibit many
17 property owners from making improvements. Therefore, it is necessary to
18 authorize municipalities to implement an alternative financing method
19 through the creation of clean energy assessment districts; and

20 (4) Public purposes will be served by providing municipalities with
21 the authority to finance the installation of energy efficiency
22 improvements, grid resiliency improvements, and renewable energy systems
23 through the creation of clean energy assessment districts. Such public
24 purposes include, but are not limited to, reduced energy and water costs,
25 reduced greenhouse gas emissions, economic stimulation and development,
26 improved property valuation, and increased employment.

27 **Sec. 2.** Section 13-3203, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 13-3203 For purposes of the Property Assessed Clean Energy Act:

30 (1) Assessment contract means a contract entered into between a
31 municipality, a property owner, and, if applicable, a third-party lender

1 under which the municipality agrees to provide financing for an energy
2 project in exchange for a property owner's agreement to pay an annual
3 assessment for a period not to exceed the weighted average useful life of
4 the energy project;

5 (2) Clean energy assessment district means a district created by a
6 municipality to provide financing for energy projects;

7 (3) Energy efficiency improvement means any acquisition,
8 installation, or modification benefiting publicly or privately owned
9 property that is designed to reduce the electric, gas, water, or other
10 utility demand or consumption of the buildings on, or to be constructed
11 on, such property or to promote the efficient and effective management of
12 natural resources or storm water, including, but not limited to:

13 (a) Insulation in walls, roofs, floors, foundations, or heating and
14 cooling distribution systems;

15 (b) Storm windows and doors; multiglazed windows and doors; heat-
16 absorbing or heat-reflective glazed and coated window and door systems;
17 and additional glazing, reductions in glass area, and other window and
18 door system modifications that reduce energy consumption;

19 (c) Automated energy control systems;

20 (d) Heating, ventilating, or air conditioning and distribution
21 system modifications or replacements;

22 (e) Caulking, weatherstripping, and air sealing;

23 (f) Replacement or modification of lighting fixtures to reduce the
24 energy use of the lighting system;

25 (g) Energy recovery systems, including, but not limited to,
26 cogeneration and trigeneration systems;

27 (h) Daylighting systems;

28 (i) Installation or upgrade of electrical wiring or outlets to
29 charge a motor vehicle that is fully or partially powered by electricity;

30 (j) Facilities providing for water conservation or pollutant
31 control;

1 (k) Roofs designed to reduce energy consumption or support
2 additional loads necessitated by other energy efficiency improvements;

3 (l) Installation of energy-efficient fixtures, including, but not
4 limited to, water heating systems, escalators, and elevators;

5 (m) Energy efficiency related items if so long as the cost of the
6 energy efficiency related items financed by the municipality does not
7 exceed twenty-five percent of the total cost of the energy project; and

8 (n) Any other installation or modification of equipment, devices, or
9 materials approved as a utility cost-saving measure by the municipality;

10 (4) Energy efficiency related item means any repair, replacement,
11 improvement, or modification to real property that is necessary or
12 desirable in conjunction with an energy efficiency improvement,
13 including, but not limited to, structural support improvements and the
14 repair or replacement of any building components, paved surfaces, or
15 fixtures disrupted or altered by the installation of an energy efficiency
16 improvement;

17 (5) Energy project means the installation or modification of an
18 energy efficiency improvement or grid resiliency improvement or the
19 acquisition, installation, or improvement of a renewable energy system;

20 (6) Grid resiliency improvement means any acquisition, installation,
21 or modification benefiting publicly or privately owned property that is
22 designed to anticipate, prepare for, withstand, respond to, and rapidly
23 recover from major power disruptions, including, but not limited to:

24 (a) Backup power generators;

25 (b) Backup power generators powered by renewable energy resources;

26 (c) Solar panels with battery storage; and

27 (d) Smart grid technology;

28 (7) (6) Municipality means any county, city, or village in this
29 state;

30 (8) (7) Qualifying property means any of the following types of
31 property located within a municipality:

- 1 (a) Agricultural property;
- 2 (b) Commercial property, including multifamily residential property
- 3 comprised of more than four dwelling units;
- 4 (c) Industrial property; or
- 5 (d) Single-family residential property, which may include up to four
- 6 dwelling units;

7 ~~(9)(a)~~ ~~(8)(a)~~ Renewable energy resource means a resource that
8 naturally replenishes over time and that minimizes the output of toxic
9 material in the conversion to energy. Renewable energy resource includes,
10 but is not limited to, the following:

- 11 (i) Nonhazardous biomass;
- 12 (ii) Solar and solar thermal energy;
- 13 (iii) Wind energy;
- 14 (iv) Geothermal energy;
- 15 (v) Methane gas captured from a landfill or elsewhere; and
- 16 (vi) Photovoltaic systems; and
- 17 (b) Renewable energy resource does not include petroleum, nuclear
- 18 power, natural gas, coal, or hazardous biomass; and

19 ~~(10)~~ ~~(9)~~ Renewable energy system means a fixture, product, device,
20 or interacting group of fixtures, products, or devices on the customer's
21 side of the meter that uses one or more renewable energy resources to
22 generate electricity. Renewable energy system includes a biomass stove
23 but does not include an incinerator.

24 **Sec. 3.** Section 13-3204, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 13-3204 (1) Pursuant to the procedures provided in this section, a
27 municipality may, from time to time, create one or more clean energy
28 assessment districts. Such districts may be separate, overlapping, or
29 coterminous and may be created anywhere within the municipality or its
30 extraterritorial zoning jurisdiction, except that a county shall not
31 create a district that includes any area within the corporate boundaries

1 or extraterritorial zoning jurisdiction of any city or village located in
2 whole or in part within such county. The governing body of the
3 municipality shall be the governing body for any district so created.

4 (2) Prior to creating any clean energy assessment district, the
5 municipality shall hold a public hearing at which the public may comment
6 on the creation of such district. Notice of the public hearing shall be
7 given by publication in a legal newspaper in, or of, general circulation
8 in the municipality at least ten days prior to the hearing.

9 (3) After the public hearing, the municipality may create a clean
10 energy assessment district by ordinance or, for counties, by resolution.
11 The ordinance or resolution shall include:

12 (a) A finding that the financing of energy projects is a valid
13 public purpose;

14 (b) A contract form to be used for assessment contracts between the
15 municipality, the owner of the qualifying property, and, if applicable, a
16 third-party lender governing the terms and conditions of financing and
17 annual assessments;

18 (c) Identification of an official authorized to enter into
19 assessment contracts on behalf of the municipality;

20 (d) An application process and eligibility requirements for
21 financing energy projects;

22 (e) An explanation of how annual assessments will be made and
23 collected;

24 (f) For energy projects involving residential property, a
25 requirement that any interest rate on assessment installments must be a
26 fixed rate;

27 (g) For energy projects involving residential property, a
28 requirement that the repayment period for assessments must be according
29 to a fixed repayment schedule;

30 (h) Information regarding the following, to the extent known, or
31 procedures to determine the following in the future:

1 (i) Provisions for an adequate debt service reserve fund created
2 under section 13-3209, if applicable;

3 (ii) Provisions for an adequate loss reserve fund created under
4 section 13-3208; and

5 (iii) Any application, administration, or other program fees to be
6 charged to owners participating in the program that will be used to
7 finance costs incurred by the municipality as a result of the program;

8 (i) A requirement that the term of the annual assessments not exceed
9 the weighted average useful life of the energy project paid for by the
10 annual assessments;

11 (j) A requirement that any energy efficiency improvement that is not
12 permanently affixed to the qualifying property upon which an annual
13 assessment is imposed to repay the cost of such energy efficiency
14 improvement shall ~~must~~ be conveyed with the qualifying property if a
15 transfer of ownership of the qualifying property occurs;

16 (k) A requirement that, prior to the effective date of any contract
17 that binds the purchaser to purchase qualifying property upon which an
18 annual assessment is imposed, the owner shall provide notice to the
19 purchaser that the purchaser assumes responsibility for payment of the
20 annual assessment as provided in subdivision (3)(d) of section 13-3205;

21 (l) Provisions for marketing and participant education;

22 (m) A requirement that the municipality obtain verification that the
23 renewable energy system, grid resiliency improvement, or energy
24 efficiency improvement was properly installed and is operating as
25 intended; and

26 (n) A requirement that the clean energy assessment district, with
27 respect to single-family residential property, comply with the Property
28 Assessed Clean Energy Act and with directives or guidelines issued by the
29 Federal Housing Administration and the Federal Housing Finance Agency on
30 or after January 1, 2016, relating to property assessed clean energy
31 financing.

1 **Sec. 4.** Section 18-2101, Revised Statutes Cumulative Supplement,
2 2024, is amended to read:

3 18-2101 Sections 18-2101 to 18-2157 and section 8 of this act shall
4 be known and may be cited as the Community Development Law.

5 **Sec. 5.** Section 18-2101.02, Revised Statutes Cumulative Supplement,
6 2024, is amended to read:

7 18-2101.02 (1) For any city that (a) ~~intends to carry out a~~
8 ~~redevelopment project which will involve the construction of workforce~~
9 ~~housing in an extremely blighted area as authorized under subdivision~~
10 ~~(28)(g) of section 18-2103,~~ (b) intends to prepare a redevelopment plan
11 that will divide ad valorem taxes for a period of more than fifteen years
12 but not more than twenty years as provided in subdivision (4)(a) of
13 section 18-2147, (b) ~~(e)~~ intends to declare an area as an extremely
14 blighted area for purposes of funding decisions under subdivision (1)(b)
15 of section 58-708, or (c) ~~(d)~~ intends to declare an area as an extremely
16 blighted area in order for individuals purchasing residences in such area
17 to qualify for the income tax credit authorized in subsection (7) of
18 section 77-2715.07, the governing body of such city shall first declare,
19 by resolution adopted after the public hearings required under this
20 section, such area to be an extremely blighted area.

21 (2) Prior to making such declaration, the governing body of the city
22 shall conduct or cause to be conducted a study or an analysis on whether
23 the area is extremely blighted and shall submit the question of whether
24 such area is extremely blighted to the planning commission or board of
25 the city for its review and recommendation. The planning commission or
26 board shall hold a public hearing on the question after giving notice of
27 the hearing as provided in section 18-2115.01. The planning commission or
28 board shall submit its written recommendations to the governing body of
29 the city within thirty days after the public hearing.

30 (3) Upon receipt of the recommendations of the planning commission
31 or board, or if no recommendations are received within thirty days after

1 the public hearing required under subsection (2) of this section, the
2 governing body shall hold a public hearing on the question of whether the
3 area is extremely blighted after giving notice of the hearing as provided
4 in section 18-2115.01. At the public hearing, all interested parties
5 shall be afforded a reasonable opportunity to express their views
6 respecting the proposed declaration. After such hearing, the governing
7 body of the city may make its declaration.

8 (4) Copies of each study or analysis conducted pursuant to
9 subsection (2) of this section shall be posted on the city's public
10 website or made available for public inspection at a location designated
11 by the city.

12 (5) The study or analysis required under subsection (2) of this
13 section may be conducted in conjunction with the study or analysis
14 required under section 18-2109. The hearings required under this section
15 may be held in conjunction with the hearings required under section
16 18-2109.

17 (6) Notwithstanding any other provisions of the Community
18 Development Law, the designation of an area as an extremely blighted area
19 pursuant to this section shall be valid for a period of no less than
20 twenty-five years from the effective date of the resolution declaring
21 such area to be an extremely blighted area, except that such designation
22 may be removed prior to the end of such period pursuant to section
23 18-2156.

24 **Sec. 6.** Section 18-2102, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 18-2102 It is hereby found and declared that there exist in cities
27 of all classes and villages of this state areas which have deteriorated
28 and become substandard and blighted because of the unsafe, insanitary,
29 inadequate, or overcrowded condition of the dwellings therein, or because
30 of inadequate planning of the area, or excessive land coverage by the
31 buildings thereon, or the lack of proper light and air and open space, or

1 because of the defective design and arrangement of the buildings thereon,
2 or faulty street or lot layout, or congested traffic conditions, or
3 economically or socially undesirable land uses, or the lack of affordable
4 housing in the area. Such conditions or a combination of some or all of
5 them have resulted and will continue to result in making such areas
6 economic or social liabilities harmful to the social and economic well-
7 being of the entire communities in which they exist, needlessly
8 increasing public expenditures, imposing onerous municipal burdens,
9 decreasing the tax base, reducing tax revenue, substantially impairing or
10 arresting the sound growth of municipalities, aggravating traffic
11 problems, substantially impairing or arresting the elimination of traffic
12 hazards and the improvement of traffic facilities, and depreciating
13 general community-wide values. The existence of such areas contributes
14 substantially and increasingly to the spread of disease and crime,
15 necessitating excessive and disproportionate expenditures of public funds
16 for the preservation of the public health and safety, for crime
17 prevention, correction, prosecution, punishment and the treatment of
18 juvenile delinquency, and for the maintenance of adequate police, fire,
19 and accident protection and other public services and facilities. These
20 conditions are beyond remedy and control solely by regulatory process in
21 the exercise of the police power and cannot be dealt with effectively by
22 the ordinary operations of private enterprise without the aids herein
23 provided. The elimination of such conditions and the acquisition and
24 preparation of land in or necessary to the renewal of substandard and
25 blighted areas and its sale or lease for development or redevelopment in
26 accordance with general plans and redevelopment plans of communities and
27 any assistance which may be given by any state public body in connection
28 therewith are public uses and purposes for which public money may be
29 expended and private property acquired. The necessity in the public
30 interest for the provisions of the Community Development Law is hereby
31 declared to be a matter of legislative determination.

1 It is further found and declared that the prevention and elimination
2 of blight is a matter of state policy, public interest, and statewide
3 concern and within the powers and authority inhering in and reserved to
4 the state, in order that the state and its municipalities shall not
5 continue to be endangered by areas which are focal centers of disease,
6 promote juvenile delinquency, and consume an excessive proportion of
7 their revenue.

8 It is further found and declared that certain substandard and
9 blighted areas, or portions thereof, may require acquisition, clearance,
10 and disposition, subject to use restrictions, as provided in the
11 Community Development Law, since the prevailing conditions of decay may
12 make impracticable the reclamation of the area by conservation or
13 rehabilitation; that other areas or portions thereof may, through the
14 means provided in the Community Development Law, be susceptible of
15 conservation or rehabilitation in such a manner that the conditions and
16 evils, hereinbefore enumerated, may be eliminated, remedied, or
17 prevented; and that salvageable substandard and blighted areas can be
18 conserved and rehabilitated through appropriate public action and the
19 cooperation and voluntary action of the owners and tenants of property in
20 such areas.

21 **Sec. 7.** Section 18-2103, Revised Statutes Cumulative Supplement,
22 2024, is amended to read:

23 18-2103 For purposes of the Community Development Law, unless the
24 context otherwise requires:

25 (1) Affordable housing means (a) workforce housing, (b) housing
26 targeted for households earning less than one hundred fifty percent of
27 the median income for the county in which such housing is located, or (c)
28 housing under section 42 of the Internal Revenue Code;

29 (2) ~~(1)~~ Area of operation means and includes the area within the
30 corporate limits of the city and such land outside the city as may come
31 within the purview of sections 18-2123 and 18-2123.01;

1 (3) (2) Authority means any community redevelopment authority
2 created pursuant to section 18-2102.01 and any community development
3 agency created pursuant to section 18-2101.01 and does not include a
4 limited community redevelopment authority;

5 (4) (3) Blighted area means an area (a) which, by reason of the
6 presence of a substantial number of deteriorated or deteriorating
7 structures, existence of defective or inadequate street layout, faulty
8 lot layout in relation to size, adequacy, accessibility, or usefulness,
9 insanitary or unsafe conditions, deterioration of site or other
10 improvements, diversity of ownership, tax or special assessment
11 delinquency exceeding the fair value of the land, defective or unusual
12 conditions of title, improper subdivision, ~~or~~ or ~~obsolete~~ or no platting, or
13 the existence of conditions which endanger life or property by fire and
14 other causes, or any combination of such factors, substantially impairs
15 or arrests the sound growth of the community, retards the provision of
16 housing accommodations, or constitutes an economic or social liability
17 and is detrimental to the public health, safety, morals, or welfare in
18 its present condition and use and (b) in which there is at least one of
19 the following conditions: (i) Unemployment in the designated area is at
20 least one hundred twenty percent of the state or national average; (ii)
21 the average age of the residential or commercial units in the area is at
22 least forty years; (iii) more than half of the plotted and subdivided
23 property in an area is unimproved land that has been within the city for
24 forty years and has remained unimproved during that time; (iv) the per
25 capita income of the area is lower than the average per capita income of
26 the city or village in which the area is designated; ~~or~~ (v) the area has
27 had either stable or decreasing population based on the last two
28 decennial censuses; or (vi) less than twenty percent of the housing in
29 the area is affordable housing. In no event shall a city of the
30 metropolitan, primary, or first class designate more than thirty-five
31 percent of the city as blighted, a city of the second class shall not

1 designate an area larger than fifty percent of the city as blighted, and
2 a village shall not designate an area larger than one hundred percent of
3 the village as blighted. A redevelopment project involving a formerly
4 used defense site as authorized under section 18-2123.01, any area which
5 is located within a good life district established under the Good Life
6 Transformational Projects Act, and any area declared to be an extremely
7 blighted area under section 18-2101.02 shall not count towards the
8 percentage limitations contained in this subdivision;

9 (5) ~~(4)~~ Bonds means any bonds, including refunding bonds, notes,
10 interim certificates, debentures, or other obligations issued pursuant to
11 the Community Development Law except for bonds issued pursuant to section
12 18-2142.04;

13 (6) ~~(5)~~ Business means any private business located in an enhanced
14 employment area;

15 (7) ~~(6)~~ City means any city or incorporated village in the state;

16 (8) ~~(7)~~ Clerk means the clerk of the city or village;

17 (9) ~~(8)~~ Community redevelopment area means a substandard and
18 blighted area which the community redevelopment authority designates as
19 appropriate for a redevelopment project;

20 (10) ~~(9)~~ Employee means a person employed at a business as a result
21 of a redevelopment project;

22 (11) ~~(10)~~ Employer-provided health benefit means any item paid for
23 by the employer in total or in part that aids in the cost of health care
24 services, including, but not limited to, health insurance, health savings
25 accounts, and employer reimbursement of health care costs;

26 (12) ~~(11)~~ Enhanced employment area means an area not exceeding six
27 hundred acres (a) within a community redevelopment area which is
28 designated by an authority as eligible for the imposition of an
29 occupation tax or (b) not within a community redevelopment area as may be
30 designated under section 18-2142.04;

31 (13) ~~(12)~~ Equivalent employees means the number of employees

1 computed by (a) dividing the total hours to be paid in a year by (b) the
2 product of forty times the number of weeks in a year;

3 (14) ~~(13)~~ Extremely blighted area means a substandard and blighted
4 area in which: (a) The average rate of unemployment in the area during
5 the period covered by the most recent federal decennial census or
6 American Community Survey 5-Year Estimate is at least two hundred percent
7 of the average rate of unemployment in the state during the same period;
8 and (b) the average poverty rate in the area exceeds twenty percent for
9 the total federal census tract or tracts or federal census block group or
10 block groups in the area;

11 (15) ~~(14)~~ Federal government means the United States of America, or
12 any agency or instrumentality, corporate or otherwise, of the United
13 States of America;

14 (16) ~~(15)~~ Governing body or local governing body means the city
15 council, board of trustees, or other legislative body charged with
16 governing the municipality;

17 (17) ~~(16)~~ Limited community redevelopment authority means a
18 community redevelopment authority created pursuant to section 18-2102.01
19 having only one single specific limited pilot project authorized;

20 (18) ~~(17)~~ Mayor means the mayor of the city or chairperson of the
21 board of trustees of the village;

22 (19) ~~(18)~~ New investment means the value of improvements to real
23 estate made in an enhanced employment area by a developer or a business;

24 (20) ~~(19)~~ Number of new employees means the number of equivalent
25 employees that are employed at a business as a result of the
26 redevelopment project during a year that are in excess of the number of
27 equivalent employees during the year immediately prior to the year that a
28 redevelopment plan is adopted;

29 (21) ~~(20)~~ Obligee means any bondholder, agent, or trustee for any
30 bondholder, or lessor demising to any authority, established pursuant to
31 section 18-2102.01, property used in connection with a redevelopment

1 project, or any assignee or assignees of such lessor's interest or any
2 part thereof, and the federal government when it is a party to any
3 contract with such authority;

4 (22) ~~(21)~~ Occupation tax means a tax imposed under section
5 18-2142.02;

6 (23) ~~(22)~~ Person means any individual, firm, partnership, limited
7 liability company, corporation, company, association, joint-stock
8 association, or body politic and includes any trustee, receiver,
9 assignee, or other similar representative thereof;

10 (24) ~~(23)~~ Public body means the state or any municipality, county,
11 township, board, commission, authority, district, or other political
12 subdivision or public body of the state;

13 (25) ~~(24)~~ Real property means all lands, including improvements and
14 fixtures thereon, and property of any nature appurtenant thereto, or used
15 in connection therewith, and every estate, interest and right, legal or
16 equitable, therein, including terms for years and liens by way of
17 judgment, mortgage, or otherwise, and the indebtedness secured by such
18 liens;

19 (26) ~~(25)~~ Redeveloper means any person, partnership, or public or
20 private corporation or agency which enters or proposes to enter into a
21 redevelopment contract;

22 (27) ~~(26)~~ Redevelopment contract means a contract entered into
23 between an authority and a redeveloper for the redevelopment of an area
24 in conformity with a redevelopment plan;

25 (28) ~~(27)~~ Redevelopment plan means a plan, as it exists from time to
26 time for one or more community redevelopment areas, or for a
27 redevelopment project, which (a) conforms to the general plan for the
28 municipality as a whole and (b) is sufficiently complete to indicate such
29 land acquisition, demolition and removal of structures, redevelopment,
30 improvements, and rehabilitation as may be proposed to be carried out in
31 the community redevelopment area, zoning and planning changes, if any,

1 land uses, maximum densities, and building requirements;

2 (29) ~~(28)~~ Redevelopment project means any work or undertaking in one
3 or more community redevelopment areas: (a) To acquire substandard and
4 blighted areas or portions thereof, including lands, structures, or
5 improvements the acquisition of which is necessary or incidental to the
6 proper clearance, development, or redevelopment of such substandard and
7 blighted areas; (b) to clear any such areas by demolition or removal of
8 existing buildings, structures, streets, utilities, or other improvements
9 thereon and to install, construct, or reconstruct streets, utilities,
10 parks, playgrounds, public spaces, public parking facilities, sidewalks
11 or moving sidewalks, convention and civic centers, bus stop shelters,
12 lighting, benches or other similar furniture, trash receptacles,
13 shelters, skywalks and pedestrian and vehicular overpasses and
14 underpasses, enhancements to structures in the redevelopment plan area
15 which exceed minimum building and design standards in the community and
16 prevent the recurrence of substandard and blighted conditions, and any
17 other necessary public improvements essential to the preparation of sites
18 for uses in accordance with a redevelopment plan; (c) to sell, lease, or
19 otherwise make available land in such areas for residential,
20 recreational, commercial, industrial, or other uses, including parking or
21 other facilities functionally related or subordinate to such uses, or for
22 public use or to retain such land for public use, in accordance with a
23 redevelopment plan; and may also include the preparation of the
24 redevelopment plan, the planning, survey, and other work incident to a
25 redevelopment project and the preparation of all plans and arrangements
26 for carrying out a redevelopment project; (d) to dispose of all real and
27 personal property or any interest in such property, or assets, cash, or
28 other funds held or used in connection with residential, recreational,
29 commercial, industrial, or other uses, including parking or other
30 facilities functionally related or subordinate to such uses, or any
31 public use specified in a redevelopment plan or project, except that such

1 disposition shall be at its fair value for uses in accordance with the
2 redevelopment plan; (e) to acquire real property in a community
3 redevelopment area which, under the redevelopment plan, is to be repaired
4 or rehabilitated for dwelling use or related facilities, repair or
5 rehabilitate the structures, and resell the property; (f) to carry out
6 plans for a program of voluntary or compulsory repair, rehabilitation, or
7 demolition of buildings in accordance with the redevelopment plan; and
8 (g) ~~in a rural community or in an extremely blighted area within a~~
9 ~~municipality that is not a rural community,~~ to carry out construction of
10 affordable workforce housing;

11 (30) ~~(29)~~ Redevelopment project valuation means the valuation for
12 assessment of the taxable real property in a redevelopment project last
13 certified for the year prior to the effective date of the provision
14 authorized in section 18-2147;

15 (31) ~~(30)~~ Rural community means any municipality in a county with a
16 population of fewer than one hundred thousand inhabitants as determined
17 by the most recent federal decennial census;

18 (32) ~~(31)~~ Substandard area means an area in which less than twenty
19 percent of the housing is affordable housing or in which there is a
20 predominance of buildings or improvements, whether nonresidential or
21 residential in character, which, by reason of dilapidation,
22 deterioration, age or obsolescence, inadequate provision for ventilation,
23 light, air, sanitation, or open spaces, high density of population and
24 overcrowding, or the existence of conditions which endanger life or
25 property by fire and other causes, or any combination of such factors, is
26 conducive to ill health, transmission of disease, infant mortality,
27 juvenile delinquency, and crime, (which cannot be remedied through
28 construction of prisons), and is detrimental to the public health,
29 safety, morals, or welfare; and

30 (33) ~~(32)~~ Workforce housing means:

31 (a) Housing that meets the needs of today's working families;

1 (b) Housing that is attractive to new residents considering
2 relocation to a rural community;

3 (c) Owner-occupied housing units that cost not more than two hundred
4 seventy-five thousand dollars to construct or rental housing units that
5 cost not more than two hundred thousand dollars per unit to construct.
6 For purposes of this subdivision (c), housing unit costs shall be updated
7 annually by the Department of Economic Development based upon the most
8 recent increase or decrease in the Producer Price Index for all
9 commodities, published by the United States Department of Labor, Bureau
10 of Labor Statistics;

11 (d) Owner-occupied and rental housing units for which the cost to
12 substantially rehabilitate exceeds fifty percent of a unit's assessed
13 value; and

14 (e) Upper-story housing.

15 **Sec. 8.** For any proposed redevelopment project that includes the
16 division of taxes as provided in section 18-2147 and that is located in
17 an area which has been declared substandard and blighted because less
18 than twenty percent of the housing in the area is affordable housing, the
19 governing body may approve such project if:

20 (1) The project includes the construction of residential housing;
21 and

22 (2) The governing body finds that, upon completion of the project,
23 at least thirty percent of the residential housing in such area will be
24 affordable housing.

25 **Sec. 9.** Section 58-701, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 58-701 Sections 58-701 to 58-711 and section 10 of this act shall be
28 known and may be cited as the Nebraska Affordable Housing Act.

29 **Sec. 10.** The Department of Economic Development shall not require
30 any new construction project or rental conversion project which receives
31 funding from the Affordable Housing Trust Fund to meet the requirements

1 of section 72-805 related to complying with the International Energy
2 Conservation Code and obtaining approval of building plans and
3 specifications by the Department of Environment and Energy.

4 **Sec. 11.** Section 58-708, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 58-708 (1) During each calendar year in which funds are available
7 from the Affordable Housing Trust Fund for use by the Department of
8 Economic Development, the department shall make its best efforts to
9 allocate not less than thirty percent of such funds to each congressional
10 district. The department shall announce a grant and loan application
11 period of at least ninety days duration for all projects. Before a grant
12 application for any new construction project can be submitted to the
13 department, the land for the project shall be identified. In selecting
14 projects to receive trust fund assistance, the department shall develop a
15 qualified allocation plan and give first priority to financially viable
16 projects that serve the lowest income occupants for the longest period of
17 time. The qualified allocation plan shall:

18 (a) Set forth selection criteria to be used to determine housing
19 priorities of the housing trust fund which are appropriate to local
20 conditions, including the community's immediate need for affordable
21 housing, proposed increases in home ownership, private dollars leveraged,
22 level of local government support and participation, and repayment, in
23 part or in whole, of financial assistance awarded by the fund; and

24 (b) Give first priority in allocating trust fund assistance among
25 selected projects to those projects which are located in whole or in part
26 within an enterprise zone designated pursuant to the Enterprise Zone Act
27 or an opportunity zone designated pursuant to the federal Tax Cuts and
28 Jobs Act, Public Law 115-97, serve the lowest income occupant, are
29 located in an area that has been declared an extremely blighted area
30 under section 18-2101.02, and are obligated to serve qualified occupants
31 for the longest period of time.

1 (2) Beginning on July 1, 2026:

2 (a) The Department of Economic Development shall disburse grant
3 funds to a qualified recipient equal to eighty percent of the housing
4 development costs of such recipient, excluding general administration
5 costs, housing management fees, lead-based paint test costs, and
6 technical assistance costs, once the department approves such recipient
7 for grant funds; and

8 (b) The department shall disburse grant funds to a qualified
9 recipient equal to twenty percent of the housing development costs of
10 such recipient, excluding general administration costs, housing
11 management fees, lead-based paint test costs, and technical assistance
12 costs, upon the completion of the project.

13 (3)(a) Beginning on the operative date of this section, a qualified
14 recipient shall submit to the Department of Economic Development a
15 schedule of uses of funds for eligible activities on a quarterly basis,
16 no later than thirty days after the end of each calendar quarter, during
17 the time of performance under the award agreement.

18 (b) The schedule of uses of funds for eligible activities shall
19 include an itemization of costs for eligible activities. If reasonable,
20 the department may require source documentation and proof of payment,
21 including, but not limited to, a paid invoice, completed payment, or
22 cleared check, to be submitted with the schedule as evidence of
23 appropriate use of funds. Qualified recipients shall ensure proper use of
24 funds. The department is not responsible for the audit or approval of
25 each of the qualified recipient's transactions involving funds.

26 (c) The department may initiate any of the following actions if a
27 qualified recipient does not submit a schedule of uses of funds for
28 eligible activities:

29 (i) Disqualification of the qualified recipient in pending
30 applications for the Affordable Housing Trust Fund;

31 (ii) Disqualification of the qualified recipient in pending

1 applications for other department programs;

2 (iii) Disqualification of the qualified recipient as an eligible
3 applicant for Affordable Housing Trust Fund applications for up to
4 twenty-four months from the date of the department action; or

5 (iv) Other actions deemed necessary by the department to meet the
6 department's responsibility to ensure proper use of funds so long as such
7 actions do not unduly harm a qualified recipient's reputation and ability
8 to successfully operate in Nebraska. This subdivision does not prohibit
9 the department from taking appropriate actions against qualified
10 recipients that have committed illegal actions, such as fraud and theft.

11 (4) ~~(2)~~ The Department of Economic Development ~~department~~ shall fund
12 in order of priority as many applications as will utilize available funds
13 less actual administrative costs of the department in administering the
14 program. In administering the program the department may contract for
15 services or directly provide funds to other governmental entities or
16 instrumentalities.

17 (5)(a) ~~(3)~~ The Department of Economic Development ~~department~~ may
18 recapture any funds which were allocated to a qualified recipient for an
19 eligible project through an award agreement if such funds were not
20 utilized for eligible costs within the time of performance under the
21 agreement and are therefor no longer obligated to the project.

22 (b) Upon completion of a project, the department shall recapture a
23 percentage of the funds which were allocated to a qualified recipient for
24 an eligible project through an award agreement equal to the percentage of
25 the housing development the qualified recipient agreed to construct under
26 the award agreement but failed to complete. Any funds recaptured under
27 this subdivision shall be credited to the Affordable Housing Trust Fund.

28 (c) A qualified recipient shall recapture any funds allocated to
29 such recipient from the Affordable Housing Trust Fund that are provided
30 to a homebuyer by the recipient as financial assistance for the purchase
31 of a home upon sale of such home from the net proceeds of such sale, if

1 any.

2 ~~The recaptured funds shall be credited to the Affordable Housing~~
3 ~~Trust Fund.~~

4 **Sec. 12.** Section 58-711, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 58-711 (1) The Department of Economic Development shall submit, as
7 part of the department's annual status report under section 81-1201.11,
8 the following information regarding the Affordable Housing Trust Fund:

- 9 (a) The applications funded during the previous calendar year; (b) the
10 applications funded in previous years; (c) the identity of the
11 organizations receiving funds; (d) the location of each project; (e) the
12 amount of funding provided to each project; (f) the amount of funding
13 leveraged as a result of each project; (g) the number of units of housing
14 created by each project and the occupancy rate; (h) the expected cost of
15 rent or monthly payment of those units; (i) the projected number of new
16 employees and community investment as a result of each project; (j) the
17 amount of revenue deposited into the Affordable Housing Trust Fund
18 pursuant to section 76-903; (k) the total amount of funds for which
19 applications were received during the previous calendar year, the year-
20 end fund balance, and, if all available funds have not been committed, an
21 explanation of the reasons why all such funds have not been so committed;
22 (l) the amount of appropriated funds actually expended by the department
23 for the previous calendar year; (m) the department's current budget for
24 administration of the Nebraska Affordable Housing Act and the
25 department's planned use and distribution of funds ~~, including details on~~
26 ~~the amount of funds to be expended on projects and the amount of funds to~~
27 ~~be expended by the department for administrative purposes; and (n)~~
28 project summaries, including the applicant municipality, project
29 description, and grant amount requested ~~, amount and type of matching~~
30 ~~funds, and reasons for approval or denial~~ for every application seeking
31 funds during the previous calendar year.

1 (2) The status report shall contain no information that is protected
2 by state or federal confidentiality laws.

3 **Sec. 13.** Section 72-805, Revised Statutes Cumulative Supplement,
4 2024, is amended to read:

5 72-805 Except as provided in section 10 of this act for certain
6 projects funded by the Affordable Housing Trust Fund, the The 2018
7 International Energy Conservation Code, published by the International
8 Code Council, applies to all new buildings constructed in whole or in
9 part with state funds after July 1, 2020. The Department of Environment
10 and Energy shall review building plans and specifications necessary to
11 determine whether a building will meet the requirements of this section,
12 except that the department shall not be required to review building plans
13 and specifications upon evidence that the building plans and
14 specifications have previously been reviewed by a county, city, or
15 village enforcing a local building or construction code adopted pursuant
16 to section 71-6406 if such local building or construction code includes
17 the requirements of the 2018 International Energy Conservation Code. The
18 department shall provide a copy of any ~~its~~ review to the agency receiving
19 funding. The agency receiving the funding shall verify that the building
20 as constructed meets or exceeds the code. The verification shall be
21 provided to the department. The Director of Environment and Energy may,
22 in consultation with the State Building Administrator of the Department
23 of Administrative Services, adopt and promulgate rules and regulations to
24 carry out this section.

25 **Sec. 14.** Section 81-1237, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 81-1237 For purposes of the Middle Income Workforce Housing
28 Investment Act:

- 29 (1) Department means the Department of Economic Development;
- 30 (2) Director means the Director of Economic Development;
- 31 (3) Eligible activities of a workforce housing investment fund

1 means:

2 (a) New construction of owner-occupied or rent-to-own housing in a
3 neighborhood and community with a demonstrated need for housing that is
4 affordable and attractive to first-time homebuyers, middle-income
5 families, and the emerging workforce;

6 (b) Substantial repair or rehabilitation of dilapidated housing
7 stock; or

8 (c) Upper-story housing development for occupation by a homeowner or
9 rent-to-own tenant;

10 (4) HOME funds means funds awarded as formula grants under the HOME
11 Investment Partnerships Program administered by the United States
12 Department of Housing and Urban Development;

13 (5) Homeownership incentive reserve account means an interest-
14 bearing, deposit-insured account maintained by the owner of a housing
15 unit for future use by the unit's tenant to purchase a home;

16 (6) (5) Matching funds means dollars contributed by individuals,
17 businesses, foundations, local and regional political subdivisions, or
18 other nonprofit organizations to a workforce housing investment fund
19 administered by a nonprofit development organization;

20 (7) (6) Nonprofit development organization means a regional or
21 statewide nonprofit development organization approved by the director;

22 (8) Owner means one or more persons, jointly or severally, in whom
23 is vested all or part of the legal title to, or beneficial ownership of,
24 the subject housing unit;

25 (9) Project reserve account means an interest-bearing, deposit-
26 insured account maintained by the owner of a housing unit for unexpected
27 expenses, routine maintenance, and other operational costs associated
28 with managing rental properties;

29 (10) (7) Qualified activities include purchase guarantees, loan
30 guarantees, loan participations, and other credit enhancements related to
31 eligible activities of the workforce housing investment fund;

1 (11) ~~(8)~~ Qualified investment means a cash investment in a workforce
2 housing investment fund administered by a nonprofit development
3 organization;

4 (12) Rent-to-own housing means housing units that:

5 (a) Are located within a development of single-family housing,
6 duplexes, townhouses, or multifamily housing in which there are no more
7 than ten units on a parcel of land; and

8 (b) Meet the following requirements until the housing unit is owner
9 occupied:

10 (i) The housing unit is occupied by a tenant as the tenant's primary
11 residence;

12 (ii) The tenant does not own a home or other residential real
13 estate;

14 (iii) The lease for the housing unit provides that:

15 (A) Not less than fifty dollars of the tenant's monthly rent shall
16 be set aside in a homeownership incentive reserve account prior to any
17 cash flow distributions to the owner. Such homeownership incentive
18 reserve account shall be maintained by the owner in an interest-bearing
19 account as long as the tenant resides in the unit. When the lease ends,
20 the owner shall liquidate the homeownership incentive reserve account and
21 distribute the money to the tenant for downpayment and closing costs on
22 the purchase of a home that will be the tenant's new primary residence.
23 If the tenant does not purchase a home at the end of the lease, the money
24 in the homeownership incentive reserve account shall be transferred to a
25 project reserve account; and

26 (B) The tenant may end the lease without penalty if the tenant
27 provides the owner with thirty days' written notice and purchases a home
28 that will be the tenant's new primary residence; and

29 (iv) The housing unit is the subject of a legally binding agreement
30 granting the tenant the option to purchase the unit from the owner at
31 fair market value not less than one year after the lease begins. Such

1 agreement shall give the tenant the ability to apply homeownership
2 incentive reserve account funds to downpayment and closing costs;

3 (13) (9) Urban community means any area that is:

4 (a)(i) In a county with a population greater than one hundred
5 thousand inhabitants as determined by the most recent federal decennial
6 census; and

7 (ii) Within or adjacent to a qualified census tract as described in
8 26 U.S.C. 42(d)(5)(B), as such section existed on January 1, 2022;

9 (b) Within a city of the primary class or within a county in which a
10 city of the primary class is located; or

11 (c) In a county with a population greater than one hundred thousand
12 inhabitants, as determined by the most recent federal decennial census,
13 that does not contain a city of the metropolitan class or a city of the
14 primary class;

15 (14) (10) Workforce housing means:

16 (a) Owner-occupied or rent-to-own housing units that have an after-
17 construction appraised value of at least one hundred twenty-five thousand
18 dollars but not more than three hundred thirty thousand dollars ~~cost not~~
19 ~~more than three hundred thirty thousand dollars to construct.~~ For
20 purposes of this subdivision, housing unit after-construction appraised
21 value ~~costs~~ shall be updated annually by the department based upon the
22 most recent increase or decrease in the Producer Price Index for all
23 commodities, published by the United States Department of Labor, Bureau
24 of Labor Statistics;

25 (b) Owner-occupied or rent-to-own housing that meets the following
26 requirements: ~~units for which the~~

27 (i) The cost to substantially rehabilitate such housing units
28 exceeds fifty percent of its a unit's before-construction assessed value;
29 and ~~, and the~~

30 (ii) The after-construction appraised value of the building alone is
31 at least one hundred twenty-five thousand dollars but not more than two

1 hundred seventy-five thousand dollars. For purposes of this subdivision,
2 housing unit after-construction appraised value shall be updated annually
3 by the department based upon the most recent increase or decrease in the
4 Producer Price Index for all commodities, published by the United States
5 Department of Labor, Bureau of Labor Statistics;

6 (c) Upper-story housing for occupation by a homeowner or rent-to-own
7 tenant; and

8 (d) Housing units that do ~~that does~~ not receive federal or state
9 low-income housing tax credits, community development block grants, HOME
10 funds, or funds from the Affordable Housing Trust Fund. Notwithstanding
11 the foregoing, the department shall not restrict the construction of
12 housing units on land parcels prepared using funds from the sources
13 described in this subdivision and shall not restrict the sale of housing
14 units to homebuyers that receive homebuyer assistance funds from the
15 sources described in this subdivision; and

16 (15) ~~(11)~~ Workforce housing investment fund means a fund that has
17 been created by a nonprofit development organization and certified by the
18 director to encourage development of workforce housing in urban
19 communities.

20 **Sec. 15.** Section 81-1238, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 81-1238 (1) The director shall establish a workforce housing
23 investment grant program to foster and support the development of
24 workforce housing in urban communities.

25 (2) A nonprofit development organization may apply to the director
26 for approval of a workforce housing grant for a workforce housing
27 investment fund. The application shall be in a form and manner prescribed
28 by the director. Through fiscal year 2026-27, grants shall be awarded by
29 the director on a competitive basis until grant funds are no longer
30 available. Grant maximums shall not exceed ten million dollars to any one
31 nonprofit development organization over a two-year period, with the

1 cumulative amount for any single grantee to be determined by the
2 department at the discretion of the director. An applicant shall provide
3 matching funds for workforce housing grant funds awarded. For grant funds
4 awarded prior to July 19, 2024, an applicant shall provide matching funds
5 of at least fifty percent of the amount of such grant funds awarded. For
6 grant funds awarded on or after July 19, 2024, an applicant shall provide
7 matching funds of at a least twenty-five percent of the amount of such
8 grant funds awarded. Unallocated funds held by the department shall be
9 rolled to the next program year.

10 (3) Grants shall be awarded based upon:

11 (a) A demonstrated need for additional ~~owner-occupied~~ housing. Need
12 can be demonstrated with a recent housing study or a letter from the
13 planning department of the city in which the fund is intending to operate
14 stating that the proposal is in line with the city's most recent
15 consolidated plan submitted under 24 C.F.R. part 91, subpart D, as such
16 subpart existed on January 1, 2020;

17 (b) A neighborhood or community that has a higher-than-state-average
18 unemployment rate;

19 (c) A neighborhood or community that exhibits a demonstrated
20 commitment to growing its housing stock;

21 (d) Reducing barriers to the development and purchase of owner-
22 occupied housing with flexible forms of assistance, including grants,
23 forgivable loans, homeownership incentive reserve accounts, purchase
24 option agreements, and other forms of long-term, patient financing;

25 (e) Projects that can reasonably be ready for occupancy in a period
26 of twenty-four months; and

27 (f) A demonstrated ability to grow and manage a workforce housing
28 investment fund.

29 (4) A workforce housing investment fund shall:

30 (a) Be required to receive annual certification from the department;

31 (b) Invest or intend to invest in eligible activities for a

1 workforce housing investment fund;

2 (c) Use any fees, interest, loan repayments, or other funds received
3 by the nonprofit development organization as a result of the
4 administration of the grant to support qualified activities; and

5 (d) Have an active board of directors with expertise in development,
6 construction, and finance that meets at least quarterly to approve all
7 qualified investments made by the nonprofit development organization. A
8 nonprofit development organization shall have a formal plan and proven
9 expertise to invest unused workforce housing investment fund balances and
10 shall conduct an annual audit of all financial records by an independent
11 certified public accountant.

12 (5) A nonprofit development organization that has previously
13 received a grant or grants under the Middle Income Workforce Housing
14 Investment Act shall not be eligible for an additional grant under this
15 section unless the organization has expended at least fifty percent of
16 the funds from such previous grant or grants.

17 **Sec. 16.** Section 81-1239, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 81-1239 (1) The Middle Income Workforce Housing Investment Fund is
20 created. Funding for the grant program described in section 81-1238 shall
21 come from the Middle Income Workforce Housing Investment Fund. The Middle
22 Income Workforce Housing Investment Fund may include revenue transferred
23 at the direction of ~~from appropriations from~~ the Legislature, grants,
24 private contributions, and other sources. Any money in the Middle Income
25 Workforce Housing Investment Fund available for investment shall be
26 invested by the state investment officer pursuant to the Nebraska Capital
27 Expansion Act and the Nebraska State Funds Investment Act.

28 (2) The department shall establish a subaccount within the Middle
29 Income Workforce Housing Investment Fund that shall be used to fund
30 affordable housing and related land parcel preparation activities under
31 the Economic Recovery Act as described in subdivisions (4)(d) and (e) of

1 section 81-12,241.

2 (3) The department shall administer the Middle Income Workforce
3 Housing Investment Fund and may seek additional private or nonstate funds
4 to use in the grant program under the Middle Income Workforce Housing
5 Investment Act, including, but not limited to, contributions from the
6 Nebraska Investment Finance Authority and other interested parties.

7 (4) Interest earned by the department on grant funds shall be
8 applied to the grant program.

9 (5) If a nonprofit development organization, or a recipient of
10 subaccount funds described in subsection (2) of this section, fails to
11 engage in a qualified activity within twenty-four months after receiving
12 initial grant funding, the nonprofit development organization or
13 recipient of subaccount funds shall return the grant proceeds to the
14 department for credit to the General Fund.

15 (6) Beginning July 1, 2029, any funds held by the department in the
16 Middle Income Workforce Housing Investment Fund shall be transferred to
17 the General Fund.

18 **Sec. 17.** Section 81-1240, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 81-1240 (1) Each nonprofit development organization shall submit an
21 annual report to the director to be included as a part of the
22 department's annual status report required under section 81-1201.11. The
23 report shall certify that the workforce housing investment fund meets the
24 requirements of the Middle Income Workforce Housing Investment Act and
25 shall include a breakdown of program activities.

26 (2) The annual report shall include, but not be limited to:

27 (a) The name and geographical location of the nonprofit development
28 organization;

29 (b) The number, amount, and type of workforce housing investment
30 funds invested in qualified activities;

31 (c) The number, geographical location, type, and amount of

1 investments made;

2 (d) A summary of matching funds and where such matching funds were
3 generated; ~~and~~

4 (e) The results of the annual audit required under subdivision (4)
5 (d) of section 81-1238; and -

6 (f) The number of tenants assisted into homeownership, if
7 applicable.

8 (3) If a nonprofit development organization ceases administration of
9 a workforce housing investment fund, it shall file a final report with
10 the director in a form and manner required by the director. Before July
11 1, 2029, any unallocated workforce housing investment fund grant funds
12 shall be returned for credit to the Middle Income Workforce Housing
13 Investment Fund. On and after July 1, 2029, any unallocated workforce
14 housing investment fund grant funds shall be returned to the department
15 for transfer to the General Fund.

16 (4) If a workforce housing investment fund fails to file a complete
17 annual report by February 15, the director may, in his or her discretion,
18 impose a civil penalty of not more than five thousand dollars for such
19 violation. All money collected by the department pursuant to this
20 subsection shall be remitted to the State Treasurer for distribution in
21 accordance with Article VII, section 5, of the Constitution of Nebraska.

22 (5) This section does not apply to the subaccount of the Middle
23 Income Workforce Housing Investment Fund described in subsection (2) of
24 section 81-1239.

25 **Sec. 18.** Sections 11, 12, and 20 of this act become operative on
26 October 1, 2025. The other sections of this act become operative on their
27 effective date.

28 **Sec. 19.** Original sections 13-3202, 13-3203, 13-3204, 18-2102,
29 58-701, 81-1237, 81-1238, 81-1239, and 81-1240, Reissue Revised Statutes
30 of Nebraska, and sections 18-2101, 18-2101.02, 18-2103, and 72-805,
31 Revised Statutes Cumulative Supplement, 2024, are repealed.

1 **Sec. 20.** Original sections 58-708 and 58-711, Reissue Revised
2 Statutes of Nebraska, are repealed.