

AMENDMENTS TO LB86

(Amendments to Standing Committee amendments, AM792)

Introduced by Wayne, 13.

1 1. Insert the following new sections:

2 Sec. 3. Section 18-2103, Revised Statutes Cumulative Supplement,
3 2018, is amended to read:

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

6 (1) Area of operation means and includes the area within the
7 corporate limits of the city and such land outside the city as may come
8 within the purview of sections 18-2123 and 18-2123.01;

9 (2) Authority means any community redevelopment authority created
10 pursuant to section 18-2102.01 and a city or village which has created a
11 community development agency pursuant to the provisions of section
12 18-2101.01 and does not include a limited community redevelopment
13 authority;

14 (3) Blighted area means an area (a) which, by reason of the presence
15 of a substantial number of deteriorated or deteriorating structures,
16 existence of defective or inadequate street layout, faulty lot layout in
17 relation to size, adequacy, accessibility, or usefulness, insanitary or
18 unsafe conditions, deterioration of site or other improvements, diversity
19 of ownership, tax or special assessment delinquency exceeding the fair
20 value of the land, defective or unusual conditions of title, improper
21 subdivision or obsolete platting, or the existence of conditions which
22 endanger life or property by fire and other causes, or any combination of
23 such factors, substantially impairs or arrests the sound growth of the
24 community, retards the provision of housing accommodations, or
25 constitutes an economic or social liability and is detrimental to the
26 public health, safety, morals, or welfare in its present condition and

1 use and (b) in which there is at least one of the following conditions:
2 (i) Unemployment in the designated area is at least one hundred twenty
3 percent of the state or national average; (ii) the average age of the
4 residential or commercial units in the area is at least forty years;
5 (iii) more than half of the plotted and subdivided property in an area is
6 unimproved land that has been within the city for forty years and has
7 remained unimproved during that time; (iv) the per capita income of the
8 area is lower than the average per capita income of the city or village
9 in which the area is designated; or (v) the area has had either stable or
10 decreasing population based on the last two decennial censuses. In no
11 event shall a city of the metropolitan, primary, or first class designate
12 more than thirty-five percent of the city as blighted, a city of the
13 second class shall not designate an area larger than fifty percent of the
14 city as blighted, and a village shall not designate an area larger than
15 one hundred percent of the village as blighted. A redevelopment project
16 involving a formerly used defense site as authorized under section
17 18-2123.01 shall not count towards the percentage limitations contained
18 in this subdivision;

19 (4) Bonds means any bonds, including refunding bonds, notes, interim
20 certificates, debentures, or other obligations issued pursuant to the
21 Community Development Law except for bonds issued pursuant to section
22 18-2142.04;

23 (5) Business means any private business located in an enhanced
24 employment area;

25 (6) City means any city or incorporated village in the state;

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

27 (8) Community redevelopment area means a substandard and blighted
28 area which the community redevelopment authority designates as
29 appropriate for a renewal project;

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

1 (10) Employer-provided health benefit means any item paid for by the
2 employer in total or in part that aids in the cost of health care
3 services, including, but not limited to, health insurance, health savings
4 accounts, and employer reimbursement of health care costs;

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

10 (12) Equivalent employees means the number of employees computed by
11 (a) dividing the total hours to be paid in a year by (b) the product of
12 forty times the number of weeks in a year;

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

21 (14) Federal government means the United States of America, or any
22 agency or instrumentality, corporate or otherwise, of the United States
23 of America;

24 (15) Governing body or local governing body means the city council,
25 board of trustees, or other legislative body charged with governing the
26 municipality;

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

30 (17) Mayor means the mayor of the city or chairperson of the board
31 of trustees of the village;

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

3 (19) Number of new employees means the number of equivalent
4 employees that are employed at a business as a result of the
5 redevelopment project during a year that are in excess of the number of
6 equivalent employees during the year immediately prior to the year that a
7 redevelopment plan is adopted;

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

14 (21) Occupation tax means a tax imposed under section 18-2142.02;

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

19 (23) Public body means the state or any municipality, county,
20 township, board, commission, authority, district, or other political
21 subdivision or public body of the state;

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

28 (25) Redeveloper means any person, partnership, or public or private
29 corporation or agency which enters or proposes to enter into a
30 redevelopment contract;

31 (26) Redevelopment contract means a contract entered into between an

1 authority and a redeveloper for the redevelopment of an area in
2 conformity with a redevelopment plan;

3 (27) Redevelopment plan means a plan, as it exists from time to time
4 for one or more community redevelopment areas, or for a redevelopment
5 project, which (a) conforms to the general plan for the municipality as a
6 whole and (b) is sufficiently complete to indicate such land acquisition,
7 demolition and removal of structures, redevelopment, improvements, and
8 rehabilitation as may be proposed to be carried out in the community
9 redevelopment area, zoning and planning changes, if any, land uses,
10 maximum densities, and building requirements;

11 (28) Redevelopment project means any work or undertaking in one or
12 more community redevelopment areas: (a) To acquire substandard and
13 blighted areas or portions thereof, including lands, structures, or
14 improvements the acquisition of which is necessary or incidental to the
15 proper clearance, development, or redevelopment of such substandard and
16 blighted areas; (b) to clear any such areas by demolition or removal of
17 existing buildings, structures, streets, utilities, or other improvements
18 thereon and to install, construct, or reconstruct streets, utilities,
19 parks, playgrounds, public spaces, public parking facilities, sidewalks
20 or moving sidewalks, convention and civic centers, bus stop shelters,
21 lighting, benches or other similar furniture, trash receptacles,
22 shelters, skywalks and pedestrian and vehicular overpasses and
23 underpasses, enhancements to structures in the redevelopment plan area
24 which exceed minimum building and design standards in the community and
25 prevent the recurrence of substandard and blighted conditions, and any
26 other necessary public improvements essential to the preparation of sites
27 for uses in accordance with a redevelopment plan; (c) to sell, lease, or
28 otherwise make available land in such areas for residential,
29 recreational, commercial, industrial, or other uses, including parking or
30 other facilities functionally related or subordinate to such uses, or for
31 public use or to retain such land for public use, in accordance with a

1 redevelopment plan; and may also include the preparation of the
2 redevelopment plan, the planning, survey, and other work incident to a
3 redevelopment project and the preparation of all plans and arrangements
4 for carrying out a redevelopment project; (d) to dispose of all real and
5 personal property or any interest in such property, or assets, cash, or
6 other funds held or used in connection with residential, recreational,
7 commercial, industrial, or other uses, including parking or other
8 facilities functionally related or subordinate to such uses, or any
9 public use specified in a redevelopment plan or project, except that such
10 disposition shall be at its fair value for uses in accordance with the
11 redevelopment plan; (e) to acquire real property in a community
12 redevelopment area which, under the redevelopment plan, is to be repaired
13 or rehabilitated for dwelling use or related facilities, repair or
14 rehabilitate the structures, and resell the property; (f) to carry out
15 plans for a program of voluntary or compulsory repair, rehabilitation, or
16 demolition of buildings in accordance with the redevelopment plan; and
17 (g) in a rural community or in an extremely blighted area within a
18 municipality that is not a rural community, to carry out construction of
19 workforce housing;

20 (29) Redevelopment project valuation means the valuation for
21 assessment of the taxable real property in a redevelopment project last
22 certified for the year prior to the effective date of the provision
23 authorized in section 18-2147;

24 (30) Rural community means any municipality in a county with a
25 population of fewer than one hundred thousand inhabitants as determined
26 by the most recent federal decennial census;

27 (31) Substandard area means an area in which there is a predominance
28 of buildings or improvements, whether nonresidential or residential in
29 character, which, by reason of dilapidation, deterioration, age or
30 obsolescence, inadequate provision for ventilation, light, air,
31 sanitation, or open spaces, high density of population and overcrowding,

1 or the existence of conditions which endanger life or property by fire
2 and other causes, or any combination of such factors, is conducive to ill
3 health, transmission of disease, infant mortality, juvenile delinquency,
4 and crime, (which cannot be remedied through construction of prisons),
5 and is detrimental to the public health, safety, morals, or welfare; and

6 (32) Workforce housing means:

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

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

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

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

21 (e) Upper-story housing.

22 Sec. 6. Section 58-707, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 58-707 Organizations which may receive assistance under the Nebraska
25 Affordable Housing Act are governmental subdivisions, local housing
26 authorities, community action agencies, community-based or neighborhood-
27 based or reservation-based nonprofit organizations, and for-profit
28 entities working in conjunction with one of the other eligible
29 organizations. For-profit entities that are eligible under this section
30 ~~and~~ shall be required to provide, or cause to be provided, matching funds
31 for the eligible activity in an amount determined by the Department of

1 Economic Development, which amount shall be at least equal to ten percent
2 of the amount of assistance provided by the Affordable Housing Trust
3 Fund. Political subdivisions, local housing authorities, community action
4 agencies, and community-based, neighborhood-based, and reservation-based
5 nonprofit organizations shall not be required to provide, or cause to be
6 provided, such matching funds. Nothing in the act shall be construed to
7 allow individuals to receive direct loans from the Affordable Housing
8 Trust Fund.

9 Sec. 8. Section 58-711, Revised Statutes Cumulative Supplement,
10 2018, is amended to read:

11 58-711 (1) The Department of Economic Development shall submit, as
12 part of the department's annual status report under section 81-1201.11,
13 the following information regarding detailing the status of the
14 Affordable Housing Trust Fund: (a) - The status report shall list (1) the
15 applications funded during the previous calendar year; (b) ,-(2) the
16 applications funded in previous years; (c) ,-(3) the identity of the
17 organizations receiving funds; (d) ,-(4) the location of each project;
18 (e) ,-(5) the amount of funding provided to each the project; (f) ,-(6)
19 the amount of funding leveraged as a result of each the project; (g) ,
20 -(7) the number of units of housing created by each the project and the
21 occupancy rate; (h) ,-(8) the expected cost of rent or monthly payment of
22 those units; (i) ,-(9) the projected number of new employees and
23 community investment as a result of each the project; (j) ,-(10) the
24 amount of revenue deposited into the Affordable Housing Trust Fund
25 pursuant to section 76-903; (k) the total amount of funds for which
26 applications were received during the previous calendar year, the year-
27 end fund balance, and, if all available funds have not been committed, an
28 explanation of the reasons why all such funds have not been so committed;
29 (l) the amount of appropriated funds actually expended by the department
30 for the previous calendar year; (m) the department's current budget for
31 administration of the Nebraska Affordable Housing Act and the

1 department's planned use and distribution of funds, including details on
2 the amount of funds to be expended on projects and the amount of funds to
3 be expended by the department for administrative purposes; and (n)
4 project summaries, including the applicant municipality, project
5 description, grant amount requested, amount and type of matching funds,
6 and reasons for approval or denial for every application seeking funds
7 during the previous calendar year.

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

10 Sec. 9. Section 77-2715.07, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 77-2715.07 (1) There shall be allowed to qualified resident
13 individuals as a nonrefundable credit against the income tax imposed by
14 the Nebraska Revenue Act of 1967:

15 (a) A credit equal to the federal credit allowed under section 22 of
16 the Internal Revenue Code; and

17 (b) A credit for taxes paid to another state as provided in section
18 77-2730.

19 (2) There shall be allowed to qualified resident individuals against
20 the income tax imposed by the Nebraska Revenue Act of 1967:

21 (a) For returns filed reporting federal adjusted gross incomes of
22 greater than twenty-nine thousand dollars, a nonrefundable credit equal
23 to twenty-five percent of the federal credit allowed under section 21 of
24 the Internal Revenue Code of 1986, as amended, except that for taxable
25 years beginning or deemed to begin on or after January 1, 2015, such
26 nonrefundable credit shall be allowed only if the individual would have
27 received the federal credit allowed under section 21 of the code after
28 adding back in any carryforward of a net operating loss that was deducted
29 pursuant to such section in determining eligibility for the federal
30 credit;

31 (b) For returns filed reporting federal adjusted gross income of

1 twenty-nine thousand dollars or less, a refundable credit equal to a
2 percentage of the federal credit allowable under section 21 of the
3 Internal Revenue Code of 1986, as amended, whether or not the federal
4 credit was limited by the federal tax liability. The percentage of the
5 federal credit shall be one hundred percent for incomes not greater than
6 twenty-two thousand dollars, and the percentage shall be reduced by ten
7 percent for each one thousand dollars, or fraction thereof, by which the
8 reported federal adjusted gross income exceeds twenty-two thousand
9 dollars, except that for taxable years beginning or deemed to begin on or
10 after January 1, 2015, such refundable credit shall be allowed only if
11 the individual would have received the federal credit allowed under
12 section 21 of the code after adding back in any carryforward of a net
13 operating loss that was deducted pursuant to such section in determining
14 eligibility for the federal credit;

15 (c) A refundable credit as provided in section 77-5209.01 for
16 individuals who qualify for an income tax credit as a qualified beginning
17 farmer or livestock producer under the Beginning Farmer Tax Credit Act
18 for all taxable years beginning or deemed to begin on or after January 1,
19 2006, under the Internal Revenue Code of 1986, as amended;

20 (d) A refundable credit for individuals who qualify for an income
21 tax credit under the Angel Investment Tax Credit Act, the Nebraska
22 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
23 and Development Act, or the Volunteer Emergency Responders Incentive Act;
24 and

25 (e) A refundable credit equal to ten percent of the federal credit
26 allowed under section 32 of the Internal Revenue Code of 1986, as
27 amended, except that for taxable years beginning or deemed to begin on or
28 after January 1, 2015, such refundable credit shall be allowed only if
29 the individual would have received the federal credit allowed under
30 section 32 of the code after adding back in any carryforward of a net
31 operating loss that was deducted pursuant to such section in determining

1 eligibility for the federal credit.

2 (3) There shall be allowed to all individuals as a nonrefundable
3 credit against the income tax imposed by the Nebraska Revenue Act of
4 1967:

5 (a) A credit for personal exemptions allowed under section
6 77-2716.01;

7 (b) A credit for contributions to certified community betterment
8 programs as provided in the Community Development Assistance Act. Each
9 partner, each shareholder of an electing subchapter S corporation, each
10 beneficiary of an estate or trust, or each member of a limited liability
11 company shall report his or her share of the credit in the same manner
12 and proportion as he or she reports the partnership, subchapter S
13 corporation, estate, trust, or limited liability company income;

14 (c) A credit for investment in a biodiesel facility as provided in
15 section 77-27,236;

16 (d) A credit as provided in the New Markets Job Growth Investment
17 Act;

18 (e) A credit as provided in the Nebraska Job Creation and Mainstreet
19 Revitalization Act;

20 (f) A credit to employers as provided in section 77-27,238; and

21 (g) A credit as provided in the Affordable Housing Tax Credit Act.

22 (4) There shall be allowed as a credit against the income tax
23 imposed by the Nebraska Revenue Act of 1967:

24 (a) A credit to all resident estates and trusts for taxes paid to
25 another state as provided in section 77-2730;

26 (b) A credit to all estates and trusts for contributions to
27 certified community betterment programs as provided in the Community
28 Development Assistance Act; and

29 (c) A refundable credit for individuals who qualify for an income
30 tax credit as an owner of agricultural assets under the Beginning Farmer
31 Tax Credit Act for all taxable years beginning or deemed to begin on or

1 after January 1, 2009, under the Internal Revenue Code of 1986, as
2 amended. The credit allowed for each partner, shareholder, member, or
3 beneficiary of a partnership, corporation, limited liability company, or
4 estate or trust qualifying for an income tax credit as an owner of
5 agricultural assets under the Beginning Farmer Tax Credit Act shall be
6 equal to the partner's, shareholder's, member's, or beneficiary's portion
7 of the amount of tax credit distributed pursuant to subsection (4) of
8 section 77-5211.

9 (5)(a) For all taxable years beginning on or after January 1, 2007,
10 and before January 1, 2009, under the Internal Revenue Code of 1986, as
11 amended, there shall be allowed to each partner, shareholder, member, or
12 beneficiary of a partnership, subchapter S corporation, limited liability
13 company, or estate or trust a nonrefundable credit against the income tax
14 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the
15 partner's, shareholder's, member's, or beneficiary's portion of the
16 amount of franchise tax paid to the state under sections 77-3801 to
17 77-3807 by a financial institution.

18 (b) For all taxable years beginning on or after January 1, 2009,
19 under the Internal Revenue Code of 1986, as amended, there shall be
20 allowed to each partner, shareholder, member, or beneficiary of a
21 partnership, subchapter S corporation, limited liability company, or
22 estate or trust a nonrefundable credit against the income tax imposed by
23 the Nebraska Revenue Act of 1967 equal to the partner's, shareholder's,
24 member's, or beneficiary's portion of the amount of franchise tax paid to
25 the state under sections 77-3801 to 77-3807 by a financial institution.

26 (c) Each partner, shareholder, member, or beneficiary shall report
27 his or her share of the credit in the same manner and proportion as he or
28 she reports the partnership, subchapter S corporation, limited liability
29 company, or estate or trust income. If any partner, shareholder, member,
30 or beneficiary cannot fully utilize the credit for that year, the credit
31 may not be carried forward or back.

1 (6) There shall be allowed to all individuals nonrefundable credits
2 against the income tax imposed by the Nebraska Revenue Act of 1967 as
3 provided in section 77-3604 and refundable credits against the income tax
4 imposed by the Nebraska Revenue Act of 1967 as provided in section
5 77-3605.

6 (7)(a) For taxable years beginning or deemed to begin on or after
7 January 1, 2020, and before January 1, 2026, under the Internal Revenue
8 Code of 1986, as amended, a nonrefundable credit against the income tax
9 imposed by the Nebraska Revenue Act of 1967 in the amount of five
10 thousand dollars shall be allowed to any individual who purchases a
11 residence during the taxable year if such residence:

12 (i) Is located within an area that has been declared an extremely
13 blighted area under section 2 of this act;

14 (ii) Is the individual's primary residence; and

15 (iii) Was not purchased from a family member of the individual or a
16 family member of the individual's spouse.

17 (b) The credit provided in this subsection shall be claimed for the
18 taxable year in which the residence is purchased. If the individual
19 cannot fully utilize the credit for such year, the credit may be carried
20 forward to subsequent taxable years until fully utilized.

21 (c) No more than one credit may be claimed under this subsection
22 with respect to a single residence.

23 (d) The credit provided in this subsection shall be subject to
24 recapture by the Department of Revenue if the individual claiming the
25 credit sells or otherwise transfers the residence or quits using the
26 residence as his or her primary residence within five years after the end
27 of the taxable year in which the credit was claimed.

28 (e) For purposes of this subsection, family member means an
29 individual's spouse, child, parent, brother, sister, grandchild, or
30 grandparent, whether by blood, marriage, or adoption.

31 2. On page 1, line 10, strike "or" and insert an underscored comma;

1 and in line 12 after the comma insert "or (c) intends to declare an area
2 as an extremely blighted area in order for individuals purchasing
3 residences in such area to qualify for the income tax credit authorized
4 in subsection (7) of section 77-2715.07,".

5 3. Renumber the remaining sections and correct the repealer
6 accordingly.