

ONE HUNDRED NINTH LEGISLATURE - SECOND SESSION - 2026
COMMITTEE STATEMENT
LB819

Hearing Date: Monday February 02, 2026
Committee On: Business and Labor
Introducer: Hallstrom
One Liner: Change provisions of the Rural Workforce Housing Investment Act and the Middle Income Workforce Housing Investment Act

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 7 Senators Kauth, Hansen, Ibach, McKinney, Meyer, F., Raybould, Sorrentino

Nay:

Absent:

Present Not Voting:

Testimony:

Proponents:

Senator Bob Hallstrom
Fred Hoppe
Ryan McIntosh
Zeke Rouse
Dexter Schrodt
Carol Bodeen

Nate Volker
Joseph Higgins

Representing:

Opening Presenter
Hoppe Development
Nebraska Bankers Association
Spark
Nebraska Independent Community Bankers
Nebraska Housing Developers Association;
Nebraska Economic Developers Association; Lincoln Chamber of Commerce
Nebraska Housing Resource
Omaha Inland Port Authority Community Advisory Committee (OIPA CAC), Spark Developer Academy, Levi Carter Sherman Neighborhood Association (LCSNA), USS Omaha Action Committee (OAC), Advance Solutions Technologies

Opponents:

Representing:

Neutral:

Justin Brady

Representing:

Nebraska Realtors Association

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:



LB 819 was introduced by Senators Hallstrom and McKinney. It would amend Neb. Rev. Stat. § 81-1228, 81-1229, 81-1230, 81-1231, 81-1238, 81-1239, and 81-1240.

The Rural Workforce Housing Investment Act and Middle Income Workforce Housing Investment Act work to provide grants to real estate developers to address housing needs in rural and urban communities. The Rural Workforce Housing Investment Act provides competitive matching grants to non-profit development organizations who administer workforce housing investment funds. The funds are invested in eligible projects to increase the supply and reduce the costs of workforce housing in Nebraska's rural communities (outside Lancaster, Sarpy, and Douglas). Currently, there are caps of \$325,000 for new owner-occupied housing and \$250,000 for new rental housing units. The Bill would up those limits to \$375,000 and \$300,000, respectively.

The Middle Income Workforce Housing Investment Act provides matching grants to non-profit development organizations that administer local workforce housing investment funds in Lancaster and Sarpy counties, as well as qualified census tracts in Douglas County. Eligible projects include new owner-occupied housing units with an after-construction appraised value of at least \$125,000 but not more than \$330,000 and owner-occupied housing units for which the cost to substantially rehabilitate exceeds 50% of the unit's before-construction assessed value. After construction, appraised value of the building alone must be at least \$125,000 but not more than \$275,000.

Each program requires a minimum investment of 25% of the grant award in matching funds. Matching funds can be dollars contributed by individuals, businesses, foundations, local and regional political subdivisions, or other non-profit organizations into a single investment fund administered by the eligible nonprofit development organization.

Both Acts provide funds on a competitive basis until all of the funds are obligated. The Acts are required to be funded by act of the Legislature for each round of grant funding. Most recently, in 2024-25, each program was transferred \$12,500,000 from trust to fund grants. The trust is funded by the documentary stamp tax. Currently, Senator Hallstrom has LB 1067, which would expand the funds available from the documentary stamp tax and have the funds be moved directly into the programs, skipping the trust. This would remove the need for acts of this Legislature to fund the programs every cycle.

LB 819 would extend the programs from ending in 2026-27 fiscal year to 2036-37 year. Proponents believe that the programs have been successful in addressing housing shortages in needed areas. As housing continues to be a significant issue for Nebraska, proponents believe the bill will be necessary to address workforce development and shortages. It also will provide housing for new economic developments across the state and make investment in the state more attractive for outside companies.

Explanation of amendments:

The Standing Committee Amendment, AM 2134, replaces the Bill. It removes the 10-year sunset language in favor of a 5-year sunset. It also amends Neb. Rev. Stat. § 81-1237, which is the definition section of the Middle Income Workforce Housing Investment Act, to change the definition of workforce housing to include construction cost in determining the value of the property. Previously, an after-construction appraisal was the only way to determine the value, but this change allows the actual cost of construction to determine the value.

Kathleen Kauth, Chairperson

