

URBAN AFFAIRS COMMITTEE

NEBRASKA LEGISLATURE

SUMMARY OF 2024 LEGISLATION

One Hundred Eighth Legislature Second Session

Committee Members

Senator Terrell McKinney, Chairperson, District 11
Senator Megan Hunt, Vice-Chairperson, District 8
Senator Carol Blood, District 3
Senator John Cavanaugh, District 9
Senator Jen Day, District 49
Senator Brian Hardin, District 48
Senator John Lowe, District 37

Committee Staff

Elsa Knight, Legal Counsel
Raquel Dean, Committee Clerk

Table of Contents

List of Urban Affairs Committee Bills and Resolutions3

Bills Enacted5

Bills on General File10

Bills Held In Committee11

Bills Withdrawn.13

List of Urban Affairs Committee Interim Studies14

Index of Urban Affairs Committee Bills and Resolutions by Subject15

Detailed Index of Urban Affairs Committee Bills and Resolutions16

**LIST OF BILLS AND RESOLUTIONS REFERENCED TO THE
URBAN AFFAIRS COMMITTEE**

One Hundred Eighth Legislature, Second Session

2024 Introduced Bills

LB 840 (McKinney) Adopt the Poverty Elimination Action Plan Act and change provisions of the Middle Income Workforce Housing Investment Act and the Nebraska Housing Agency Act
Passed (page 7)

LB 842 (McKinney) Change provisions relating to affordable housing under the Municipal Density and Missing Middle Housing Act, the Nebraska Affordable Housing Act, and the Nebraska Housing Agency Act
General File (page 10)

LB 843 (McKinney) Change provisions of the Middle Income Workforce Housing Investment Act
Passed (Through LB 840) (page 7)

LB 881 (Ballard) Redefine a term under the Middle Income Workforce Housing Investment Act
Passed (Through LB 840) (page 7)

LB 947 (Day) Authorize virtual inspections for certain building permits and require certain inspection records be made available to the public under the Building Construction Act
General File (page 10)

LB 948 (McDonnell) Provide certain requirements for redevelopment contracts under the Community Development Law
General File (page 10)

LB 1046 (J. Cavanaugh) Provide for appointment of counsel for terminating hearings and eviction proceedings under the Nebraska Housing Agency Act
Passed (Through LB 840) (page 7)

LB 1118 (McKinney) Change the process for a mayor in a city of the second class to remove an officer from office
Passed (page 8)

LB 1137 (McKinney) Change the tax rate for public safety purposes in municipalities
Withdrawn (page 13)

LB 1165 (Lowe) Provide requirements for zoning regulations and duplex housing
Held in Committee (page 11)

LB 1166 (Lowe) Provide requirements for zoning regulations and accessory dwelling units
Held in Committee (page 11)

LB 1190 (McKinney) Adopt the Professional Service Contract Reporting Act
General File (page 10)

LB 1219 (J. Cavanaugh) Adopt updates to building and energy codes
Held in Committee (page 11)

LB 1314 (McKinney) Provide for grants under the Municipal Inland Port Authority Act and change the distribution of certain interest earnings
Held in Committee (page 11)

LB 1344 (Wayne) Rename and change provisions of the Community Development Assistance Act and change provisions of the Good Life Transformational Projects Act
Passed (page 8)

LB 1359 (McDonnell) Change provisions relating to the issuance of bonds in a city of the metropolitan class
General File (page 10)

LB 1384 (Raybould) Provide for grants to cities and villages from the Affordable Housing Trust Fund
Held in Committee (page 12)

BILL SUMMARIES: 2023 BILLS ENACTED

LB 164 (McKinney) Change provisions relating to the Economic Recovery Act, the Municipal Inland Port Authority Act, the Nebraska Rural Projects Act, grants awarded by the Department of Economic Development, and transfers of funds and investment earnings, provide for a museum at Fort Robinson State Park, and adopt the Child Care Capacity Building and Workforce Act

LB 164 overall aims to enhance and enact economic development tools for Nebraska through the development of large shovel-ready commercial and industrial sites and innovation districts as well as inland port authorities.

Changes to the Municipal Inland Port Authority Act involve the definition of inland port district including innovation districts, innovation hubs. The bill further requires the amount of inland port districts that may be designated within the boundaries of a city of a metropolitan class be restricted to one.

Multiple requirements are placed on the aforementioned inland port authority within the boundaries of a city of the metropolitan class: The creation and operation of an innovation district, organization and conduct of quarterly public input meetings, conduction of an annual community survey, restriction of the grant funds received via the State Treasurer to be spend within the boundaries of the inland port district, oversight over any iHub within its boundaries, creation of a community advisory committee, the hiring of a consultant within a year to create a vision of the inland port district, and within three years of receipt of grant funds the construct of 20 single family homes and a minimum of 150 new housing unit.

LB 164 additionally describes the membership of an inland port authority that is created by a city of the metropolitan class, and the requirements of the members. One such requirement is the residence within the city or county that created the authority. Additionally, individuals are restricted from serving as a commissioner or employee of an inland port authority if the individual or a family member of the individual owns an interest in, is directly affiliated with, or is an employee or officer of a private firm, company, or other entity, other than a political subdivision, that received any financial benefit through any funding provided from a business park development grants. Public officials are allowed to serve as a commissioner of an inland port authority.

The following are the new projects initiated by LB 164:

- Game and Parks - \$7,000,000 for a museum at Fort Robinson State Park
- For an Inland Port Authority (IPA) within a metropolitan class city:
 - Transfers \$30,000,000 from the Economic Recovery Contingency Fund (ERCF) to the Inland Port Authority Fund (IPAF);
 - Requires an IPA to hire a consultant to create a vision for the inland port district;
 - Requires an IPA to, within three years, construct 20 single family homes and a minimum of 150 new housing units.
 - Requires an IPA to conduct quarterly public input meetings, conduct an annual community survey.

- Shifts interest transfers from ERCF to IPAF in the following ways:
 - After the first \$13,000,000 in ARPA is earned to ERCF;
 - After the first \$12,000,000 in Perkins County is earned to ERCF;
 - After the first \$5,000,000 is earned to ERCF.
- \$7,000,000 from Perkins will accrue to the Museum Construction Fund after the first \$12,000,000.
- LB164 makes technical tweaks to the Nebraska Rural Projects Act, doesn't create any new programs.
- LB164 creates the Child Care Capacity Building and Workforce Act, however without a funding source it does not create any new programming.

LB 164 was placed on General File with AM 2105. On General File, AM 3104 and AM 2105 were adopted. On Select File, AM 3323 was adopted.

LB 164 was passed on Final Reading with an Emergency Clause, 37-6-6.

BILL SUMMARIES: 2024 BILLS ENACTED

LB 840 (McKinney) Adopt the Poverty Elimination Action Plan Act and change provisions of the Middle Income Workforce Housing Investment Act and the Nebraska Housing Agency Act

LB 840 overall aims to address and tackle the problem of poverty. The bill first defines city, economic redevelopment area, high-poverty area, and qualified census tract. Cities are to adopt a five-year poverty elimination plan no later than July 1, 2025. This plan is to be electronically submitted to the Urban Affairs Committee of the Legislature and the Clerk. The plan is to include goals for poverty elimination and incentive usages in high-poverty, qualified census tracts, and economic redevelopment areas. The plan is to be reevaluated every two years and updated every five years to ensure its effectiveness and relevance.

Amending the Nebraska Housing Agency Act, LB 840 states that nine adult persons are to be appointed by the chief elected official of cities of the metropolitan class and if a resident commissioner is required, at least one must be a resident commissioner. The mayor is to appoint three resident commissioners from adult recipients of agency assistance, with at least one residing in a larger public housing facility. For housing agencies not established by a city of the metropolitan class, the resident commissioner is selected either by election or appointment. No commissioner of housing agency for a city of the metropolitan class shall have an ownership interest in, or be employed by, any entity doing business with such a housing agency. The ownership of less than five percent of the outstanding shares of a corporation shall not constitute an interest.

The bill states that commissioners' contact information is to be publicly available at agency offices and websites and prior to board meetings, meeting notices and agendas must be posted in common spaces, and public comment must be allowed at all board meetings. Regular meetings are to be held at large public housing facilities and must establish a complaint process for residents and must comply with any federal regulations regarding administrative grievance procedures, procedures should be easily digestible for residents.

LB 840 outlines the termination process for a resident's tenancy in a housing agency stating there is to be a written notice and that they have a right to legal representation at no cost in eviction proceedings or hearings before the housing agency. If a resident contests termination or requests a hearing, counsel will be appointed prior to the hearing. If the resident does not request a hearing but the agency files for recovery of possession, counsel will be appointed to the court. The resident can waive court-appointed counsel or retain their own, with the cost of court-appointed counsel paid by the housing agency. Counsel must apply to the court for fees, which will be determined and paid by the housing agency and the agency cannot charge residents for legal services provided under this section.

The bill amends the definition for Urban Community for the Middle Income Workforce Housing Investment Act to also be within a county in which a city of the primary class is located; or in a

county with a population greater than one hundred thousand inhabitants, as determined by the most recent federal decennial census, that does not contain a city of the metropolitan class or a city of the primary class.

LB 840 strikes that applicants shall provide matching funds of at least one-half of the amount of workforce housing grant funds awarded and amends that grants funds awarded prior to the operative date of the section, applicants shall provide matching funds of at least fifty percent of the amount of such grant funds awarded. For grant funds awarded on or after the operative date of this section, an applicant shall provide matching funds of at least twenty-five percent of the amount of such grant funds awarded.

LB 840 was placed on General File with AM 2862. On General File, AM 3092 and AM 2862 were adopted. On Select File, AM 3351 was adopted.

LB 840 passed on Final Reading, 28-19-2.

LB 1118 (McKinney) Change the process for a mayor in a city of the second class to remove an officer from office

LB 1118 requires the consent of the city council when removing officers that are required by ordinance or municipal law. This bill only applies to cities of the second class.

LB 1118 already required for cities of the second class that the terms of office for all officers, except regular police officers, are to be appointed by the mayor and confirmed by the city council. LB 1118 amendments require in these cities, that the mayor also have the consent of the city council to remove officers from office.

LB 1118 was placed on Consent Calendar. It passed on Final Reading 47-0-2.

LB 1344 (Wayne) Rename and change provisions of the Community Development Assistance Act and change provisions of the Good Life Transformational Projects Act

LB 1344 renames the Community Development Assistance Act to be the Creating High Impact Economic Futures, or the "CHIEF Act." LB 1344 overall outlines what a proposal for a grant under the Act being submitted to the Department of Economic Development is to include, as well as the criteria the department is to follow when reviewing the proposals.

Among the changes in the CHIEF Act are changes in the definition of "community betterment organization" to add inland port authorities, agribusiness, or agricultural business entities, and iHubs. The definition of "economic redevelopment area" is expanded to include economic redevelopment areas, enterprise zones, qualified census tracts, counties with a population of less than 10,000, and inland port districts. Eligible activities are expanded to include operations of an

inland port authority, operations of an agribusiness or agricultural business entity, construction, or operation of an accelerator program for technology companies, and operations of an iHub.

Under the CHIEF act, proposals from community betterment organizations for eligible programs or projects are evaluated by DED based on the extent to which the proposed program or project will create or maintain jobs, provide youth sport participation, stimulate economic development, provide an economic benefit to the community development area, demonstrated involvement of community support for the program or project, private sector contributions, documented support by relevant local governments, and information as to whether the application is consistent with any existing community development plans.

Following the submission of the proposal, DED then has 45 days to approve or deny a completed application. If approved, the project would be eligible to provide nonrefundable tax credits to contributors. The credits are 100% of the total contribution for individual taxpayers and 50% of the total contribution for taxpayers who are married filing separately, partnerships, LLC, S-corporations, C-corporations, and estates or trusts.

The department must approve or disapprove tax credit proposals within 45 days and issue a written agreement for approved projects allowing for eligible contributions which must be documented and valued according to IRS guidelines for federal income tax purposes. The bill further states that individuals, partnerships, corporations, estates, and trusts making contributions to certified programs under the Creating High Impact Economic Futures Act are eligible for tax credits ranging from 50% to 100% of the contribution amount, instead of 40% of their contributions, with provisions for carryover of unused credits for five years but no carryback.

LB1344 also changes provisions of the Good Life Transformational Projects Act. The Act is amended to include good life districts that are qualified inland port districts located within a city of the metropolitan class. LB1344 caps the number of good life districts to five statewide, and no more than one good life district in Douglas County, unless that district is within a qualified inland port district. LB 1344 also prevents counting out-of-state students who attend Nebraska universities as visitors for purposes of qualifying good life district applications. Proposed good life district projects are not be eligible if the project contains any portion of a public or private university. Nor would a project be eligible if the project received funds pursuant to the Shovel-Ready Capital Recovery and Investment Act or the Economic Recovery Act; however, this funding restriction does not apply to any project located in a qualified inland port authority. Finally, the bill as amended restricts the size of a good life district located within a qualified inland port authority to the size of the qualified inland port district.

LB 1344 was placed on General File with AM 2361. On General File AM 2361 was adopted. On Select File, the following amendments were adopted: AM 3232, AM 3191, FA 320, and AM 3301.

LB 1344 passed on Final Reading, 41-0-8.

BILL SUMMARIES: 2024 BILLS ON GENERAL FILE

LB 842 (McKinney) Change provisions relating to affordable housing under the Municipal Density and Missing Middle Housing Act, the Nebraska Affordable Housing Act, and the Nebraska Housing Agency Act

LB 842 aims to achieve the objective of creating more affordable housing in Nebraska by updating the definition of affordable housing. This involves adjusting the percent cap for the following categories: affordable housing rental units, mixed-income development, persons of eligible income, and mixed-income development. LB 842 was amended by AM 2778 in committee.

LB 947 (Day) Authorize virtual inspections for certain building permits and require certain inspection records be made available to the public under the Building Construction Act

LB 947 establishes independent third-party safety inspections for certain projects that require building permits, and establishes guidance on virtual inspections. LB 947 was amended by AM 2418 in committee.

LB 948 (McDonnell) Provide certain requirements for redevelopment contracts under the Community Development Law

LB 948 adds new requirements to Community Development Law regarding redevelopment projects that include the division of taxes as provided in section 18-2147, also referred to as Tax Increment Financing (TIF). LB 948 was amended by AM 2513 in committee.

LB 1190 (McKinney) Adopt the Professional Service Contract Reporting Act

LB 1190 primarily aims to enhance transparency within city, county, and state governments concerning professional service contracts, particularly those awarded to individuals or entities situated within economic redevelopment areas or qualified census tracts. LB 1190 was amended by AM 2686 in committee.

LB 1359 (McDonnell) Change provisions relating to the issuance of bonds in a city of the metropolitan class

LB 1359, relating to a city of the metropolitan class, would require a vote of the registered voters for any bond or series of bonds for a particular project in excess of eighty million dollars.

BILL SUMMARIES: 2024 BILLS HELD IN COMMITTEE

LB 1165 (Lowe) Provide requirements for zoning regulations and duplex housing

LB 1165 prevents cities of the metropolitan, primary, and first class from having zoning regulations on duplexes that are more restrictive than their zoning regulations on single family homes.

LB 1166 (Lowe) Provide requirements for zoning regulations and accessory dwelling units

LB 1166 requires municipalities to adopt zoning regulations that allow a minimum of one accessory dwelling unit by right on a lot or parcel that contains a single-family dwelling.

Accessory dwelling units are defined as a self-contained living unit on the same parcel as a single-family dwelling of greater square footage that includes its own cooking, sleeping, and sanitation facilities and complies with or is otherwise exempt from any applicable building code, fire code, and public health and safety regulations adopted by the municipality.

LB 1219 (J. Cavanaugh) Adopt updates to building and energy codes

LB 1219 updates the International Building Code, International Residential Code, and International Energy Conservation Code from the 2018 editions to the 2021 editions.

LB 1314 (McKinney) Provide for grants under the Municipal Inland Port Authority Act and change the distribution of certain interest earnings

LB 1314 would provide for grants under the Municipal Inland Port Authority Act and change the distribution of certain interest earnings.

This is accomplished through the creation of the Inland Port Authority Fund, which receives funds from the following sources:

- Any interest earned after July 1, 2024, on federal funds allocated to the State of Nebraska from the federal Coronavirus State Fiscal Recovery Fund
- Any investment earnings from the investment of money in the Perkins County Canal Project Fund and the Nebraska Capital Construction Fund

Additionally, an inland port authority located within the boundaries of a city of the metropolitan class may apply to the State Treasurer for a grant to carry out the functions of such inland port authority as authorized under the Act.

LB 1384 (Raybould) Provide for grants to cities and villages from the Affordable Housing Trust Fund

LB 1384 would direct the Nebraska Department of Economic Development to create the Transforming Cities and Villages Program to award grants for the purpose of constructing housing to address affordable housing needs in cities and villages. The bill states that the Legislature appropriates ten million dollars to be transferred to the Affordable Housing Trust Fund from the Intern Nebraska Cash Fund. The bill also makes changes to the Affordable Housing Trust Fund to expand its allowable use.

BILL SUMMARIES: 2024 BILLS WITHDRAWN

LB 1137 (McKinney) Change the tax rate for public safety purposes in municipalities

This bill was intended as a shell bill. It was withdrawn, as there was no eventual use for the bill.

LIST OF 2024 URBAN AFFAIRS COMMITTEE INTERIM STUDIES

One Hundred Eighth Legislature, Second Session

- LR 359 (McKinney) Interim study to review the concept of property development in the State of Nebraska
- LR 360 (McKinney) Interim study to review the Middle Income Workforce Housing Investment Act
- LR 437 (Urban Affairs) Interim study to examine issues within the jurisdiction of the Urban Affairs Committee
- LR 438 (McKinney) Interim study to review the occupational regulations for fire alarm inspectors
- LR 441 (Armendariz) Interim study to examine the impact of local housing regulations on Nebraska's housing supply

INDEX OF 2024 URBAN AFFAIRS COMMITTEE BILLS AND RESOLUTIONS BY SUBJECT

One Hundred Eighth Legislature, Second Session

Port Authorities

- LB 1314 (McKinney) Provide for grants under the Municipal Inland Port Authority Act and change the distribution of certain interest earnings
- LB 1344 (Wayne) Rename and change provisions of the Community Development Assistance Act and change provisions of the Good Life Transformational Projects Act

Municipalities

- LB 840 (McKinney) Adopt the Poverty Elimination Action Plan Act and change provisions of the Middle Income Workforce Housing Investment Act and the Nebraska Housing Agency Act
- LB 881 (Ballard) Redefine a term under the Middle Income Workforce Housing Investment Act
- LB 1118 (McKinney) Change the process for a mayor in a city of the second class to remove an officer from office
- LB 1165 (Lowe) Provide requirements for zoning regulations and duplex housing
- LB 1166 (Lowe) Provide requirements for zoning regulations and accessory dwelling units
- LB 1190 (McKinney) Adopt the Professional Service Contract Reporting Act

Affordable Housing

- LB 842 (McKinney) Change provisions relating to affordable housing under the Municipal Density and Missing Middle Housing Act, the Nebraska Affordable Housing Act, and the Nebraska Housing Agency Act
- LB 1046 (J. Cavanaugh) Provide for appointment of counsel for terminating hearings and eviction proceedings under the Nebraska Housing Agency Act
- LB 1384 (Raybould) Provide for grants to cities and villages from the Affordable Housing Trust Fund

Building Codes

- LB 947 (Day) Authorize virtual inspections for certain building permits and require certain inspection records be made available to the public under the Building Construction Act

Tax-Increment Financing (TIF)

- LB 948 (McDonnell) Provide certain requirements for redevelopment contracts under the Community Development Law

Miscellaneous

- LB 1137 (McKinney) Change the tax rate for public safety purposes in municipalities

DETAILED INDEX OF URBAN AFFAIRS COMMITTEE BILLS AND RESOLUTIONS

One Hundred Eighth Legislature, Second Session

Bill #	Introducer	One-liner	Hearing Date	Committee Action	Status
LB 840	McKinney	Adopt the Poverty Elimination Action Plan Act and change provisions of the Middle Income Workforce Housing Investment Act and the Nebraska Housing Agency Act	1/23/2024	Advanced- AMs 3082, 2862, (ER) 102, and 3351 adopted on the floor.	Signed into law by the Governor April 17 th , 2024
LB 842	McKinney	Change provisions relating to affordable housing under the Municipal Density and Missing Middle Housing Act, the Nebraska Affordable Housing Act, and the Nebraska Housing Agency Act	1/30/2024	Advanced	General File
LB 843	McKinney	Change provisions of the Middle Income Workforce Housing Investment Act	1/23/2024	Advanced	Amended into LB 840
LB 881	Ballard	Redefine a term under the Middle Income Workforce Housing Investment Act	1/23/2024	Advanced	Amended into LB 840
LB 947	Day	Authorize virtual inspections for certain building permits and require certain inspection records be made available to the public under the Building Construction Act	2/13/2024	Advanced	General File
LB 948	McDonnell	Provide certain requirements for redevelopment contracts under the Community Development Law	1/30/2024	Advanced	General File
LB 1046	J. Cavanaugh	Provide for appointment of counsel for terminating hearings and eviction proceedings under the Nebraska Housing Agency Act	2/06/2024	Advanced	Amended into LB 840
LB 1118	McKinney	Change the process for a mayor in a city of the second class to remove an officer from office	2/13/2024	Advanced	Signed into law by the Governor April 2 nd , 2024

LB 1137	McKinney	Change the tax rate for public safety purposes in municipalities	N/A	Held	In Committee
LB 1165	Lowe	Provide requirements for zoning regulations and duplex housing	1/30/2024	Held	In Committee
LB 1166	Lowe	Provide requirements for zoning regulations and accessory dwelling units	1/30/2024	Held	In Committee
LB 1190	McKinney	Adopt the Professional Service Contract Reporting Act	2/13/2024	Advanced	General File
LB 1219	J. Cavanaugh	Adopt updates to building and energy codes	2/13/2024	Held	In Committee
LB 1314	McKinney	Provide for grants under the Municipal Inland Port Authority Act and change the distribution of certain interest earnings	2/06/2024	Held	In Committee
LB 1344	Wayne	Rename and change provisions of the Community Development Assistance Act and change provisions of the Good Life Transformational Projects Act	2/06/2024	Advanced - AMs 2361, 3232, 3191, (FA) 320, and 3301 adopted on the floor.	Signed into law by the Governor April 16 th , 2024
LB 1359	McDonnell	Change provisions relating to the issuance of bonds in a city of the metropolitan class	2/13/2024	Advanced	General File
LB 1384	Raybould	Provide for grants to cities and villages from the Affordable Housing Trust Fund	2/06/2024	Held	In Committee