

LEGISLATIVE BILL 531

Approved by the Governor June 6, 2023

Introduced by McKinney, 11; Vargas, 7.

A BILL FOR AN ACT relating to government; to amend sections 16-312, 16-404, 16-503, 17-110, 17-614, 18-2101, 18-2101.02, 18-2105, 18-2109, 18-2117.01, 18-2117.02, 18-2142.05, 18-2147, 18-2155, 18-2709, 19-5504, 19-5505, 58-209.01, 71-6401, and 72-1001, Reissue Revised Statutes of Nebraska, and sections 61-305, 76-3602, 76-3603, 76-3604, 81-1237, 81-1238, 81-1239, 81-1240, 81-1243, 81-12,109, 81-12,110, 81-12,203, 81-12,211, 81-12,218, 81-12,221, 81-12,222, 81-12,223, 81-12,225, 81-12,238, 81-12,240, 81-12,241, 81-12,243, 81-12,244, and 84-612, Revised Statutes Cumulative Supplement, 2022; to create the Revitalize Rural Nebraska Grant Program and the Revitalize Rural Nebraska Fund and provide powers and duties for the Department of Environment and Energy; to change provisions relating to voting powers of mayors of cities of the first class and cities of the second class; to change provisions relating to extremely blighted areas, substandard and blighted areas, redevelopment projects and plans, reports, housing studies, allocation of funds, and expedited reviews and provide for designation reviews and removals under the Community Development Law; to redefine terms under the Local Option Municipal Economic Development Act and the Nebraska Investment Finance Authority Act; to change and provide reporting requirements under the Municipal Density and Missing Middle Housing Act; to change provisions of the Perkins County Canal Project Fund and the Nebraska Capital Construction Fund relating to investment earnings; to provide a state building code exception under the Building Construction Act; to change home inspection provisions as prescribed; to redefine terms and change provisions relating to grant qualifications, fund use, duties, and Department of Economic Development powers under the Middle Income Workforce Housing Investment Act; to change provisions relating to iHub applications, designations, and locations under the Nebraska Innovation Hub Act; to change project and matching funds provisions under the Nebraska Rural Projects Act; to redefine a term, change provisions relating to grant application, approval, and acceptance requirements, and restate legislative intent for funding under the Shovel-Ready Capital Recovery and Investment Act; to define a term and create the North and South Omaha Recovery Grant Program under the Economic Recovery Act; to change provisions of the Economic Recovery Act relating to powers and duties of the Economic Recovery and Incentives Division of the Department of Economic Development, allocation and use of grant funds, legislative intent for appropriations, and credits and transfers to the Economic Recovery Contingency Fund; to transfer funds from the Cash Reserve Fund; to require the Game and Parks Commission to construct, develop, and manage a Chief Standing Bear museum and visitor center and acquire, rehabilitate, and manage the Mayhew Cabin historical site; to state legislative intent for appropriations; to eliminate obsolete provisions; to harmonize provisions; to provide operative dates; to provide severability; to repeal the original sections; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. (1) There is hereby established the Revitalize Rural Nebraska Grant Program. The governing body of a city of the first class, a city of the second class, or a village may apply, on behalf of the city or village, to the Department of Environment and Energy for approval of a dilapidated commercial property demolition grant. The Director of Environment and Energy shall prescribe the form and manner of application.

(2) The department shall award the grants annually on a competitive basis beginning in fiscal year 2023-24 subject to available funds. The department shall give priority to applications from cities of the second class and villages. If there are funds remaining at the end of each grant period, the department shall consider applications from cities of the first class. A city or village may apply for more than one grant. The department shall give preference to new applicants.

(3) There shall be no limit on the amount that can be awarded to each applicant within the available funding. It is the intent of the Legislature that if the department does not award all of the available appropriation for grants under the program, the unobligated amount of the appropriation shall be reappropriated for the next fiscal year to be awarded during the next grant period.

Sec. 2. The Department of Environment and Energy shall award a grant to a city or village under the Revitalize Rural Nebraska Grant Program based on a completed application that demonstrates:

(1) A dilapidated commercial property within the corporate limits of the city or village is in need of demolition;

(2) The city or village owns the property or is completing the process prescribed in section 18-1722;

(3) The property has been abandoned or vacant for at least six months prior to application;

(4) The property is not listed, or eligible to be listed, on the National Register of Historic Places; and

(5) The city or village is able to contribute matching funds, whether in cash or in-kind donations, in the amount of ten percent for a village, fifteen percent for a city of the second class, and twenty percent for a city of the first class.

Sec. 3. If a city or village fails to engage in the demolition of the commercial property identified in the application for a grant under the Revitalize Rural Nebraska Grant Program within twenty-four months after receiving the grant, the city or village shall return the grant to the Department of Environment and Energy. The department shall remit such grant money to the State Treasurer for credit to the Revitalize Rural Nebraska Fund.

Sec. 4. The Revitalize Rural Nebraska Fund is created. The Department of Environment and Energy shall use the fund for the Revitalize Rural Nebraska Grant Program. The fund shall include transfers as directed by the Legislature, money from grants returned under section 3 of this act, and money from private contributions and other sources provided for purposes of the program. Any money in the Revitalize Rural Nebraska Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act. Any interest earned on the fund shall be used for the program.

Sec. 5. Section 16-312, Reissue Revised Statutes of Nebraska, is amended to read:

16-312 (1) The mayor of a city of the first class shall preside at all the meetings of the city council. The mayor may vote on any matter that requires either a majority vote of the city council members or a majority vote of all the elected members of the city council if (a) the mayor's vote is required due to the city council members being equally divided or (b) a majority of the city council members or majority vote of all the elected members cannot be reached due to absence, vacancy, or abstention of one or more city council members. For purposes of such vote, the mayor is deemed to be a member of the city council.

~~(2) The mayor and shall have the right to vote when his or her vote will provide the additional vote required to create a number of votes equal to a majority of the number of members elected to the city council. He or she shall have the superintending control of all the officers and affairs of the city and shall take care that the ordinances of the city and the provisions of law relating to cities of the first class are complied with. The mayor He or she may administer oaths and shall sign the commissions and appointments of all the officers appointed in the city.~~

Sec. 6. Section 16-404, Reissue Revised Statutes of Nebraska, is amended to read:

16-404 (1) All ordinances and resolutions or orders for the appropriation or payment of money in a city of the first class shall require for their passage or adoption the concurrence of a majority of all elected members of elected to the city council. The mayor may vote on any such matter if (a) the mayor's vote is required due to the city council members being equally divided or (b) a majority vote of all the elected members cannot be reached due to absence, vacancy, or abstention of one or more city council members. For purposes of such vote, the mayor is deemed to be a member of the city council when his or her vote will provide the additional vote required to create a number of votes equal to a majority of the number of members elected to the city council, and the mayor shall, for the purpose of such vote, be deemed to be a member of the city council.

(2)(a) Ordinances of a general or permanent nature in a city of the first class shall be read by title on three different days unless three-fourths of the city council members vote to suspend this requirement, except that in a city having a commission plan of government such requirement may be suspended by a three-fifths majority vote.

~~(b) Regardless of the form of government, such requirement shall not be suspended (i) for any ordinance for the annexation of territory or the redrawing of boundaries for city council election districts or wards except as otherwise provided in subsection (4) of this section or (ii) as otherwise provided by law.~~

~~(c) In case such requirement is suspended, the ordinances shall be read by title or number and then moved for final passage.~~

~~(d) Three-fourths of the city council members may require a reading of any such ordinance in full before enactment under either procedure set out in this section, except that in a city having a commission plan of government, such reading may be required by a three-fifths majority vote.~~

(3) Ordinances in a city of the first class shall contain no subject which is not clearly expressed in the title, and, except as provided in section 19-915, no ordinance or section thereof shall be revised or amended unless the new ordinance contains the entire ordinance or section as revised or amended and the ordinance or section so amended is repealed, except that:

(a) For an ordinance revising all the ordinances of a city of the first class, the only title necessary shall be An ordinance of the city of, revising all the ordinances of the city. Under such title all the ordinances may be revised in sections and chapters or otherwise, may be corrected, added to, and any part suppressed, and may be repealed with or without a saving clause as to the whole or any part without other title; and

(b) For an ordinance used solely to revise ordinances or code sections or to enact new ordinances or code sections in order to adopt statutory changes made by the Legislature which are specific and mandatory and bring the ordinances or code sections into conformance with state law, the title need only state that the ordinance revises those ordinances or code sections affected by or enacts ordinances or code sections generated by legislative changes. Under such title, all such ordinances or code sections may be revised, repealed, or enacted in sections and chapters or otherwise by a single ordinance without other title.

~~(4) Following the release of the 2020 Census of Population data by the United States Department of Commerce, Bureau of the Census, as required by Public Law 94-171, the city council of any city of the first class requesting the adjustment of the boundaries of election districts shall provide to the election commissioner or county clerk (a) written notice of the need and necessity of his or her office to perform such adjustments and (b) a revised election district boundary map that has been approved by the requesting city council and subjected to all public review and challenge ordinances of the city by December 30, 2021. The revised election district boundary map shall be adopted by ordinance. Such ordinance shall be read by title on three different days unless three-fourths of the city council members vote to suspend this requirement.~~

Sec. 7. Section 16-503, Reissue Revised Statutes of Nebraska, is amended to read:

16-503 On the passage or adoption of every resolution or order to enter into a contract, or accepting of work done under contract, by the mayor or city council of a city of the first class, the yeas and nays shall be called and entered upon the record. To pass or adopt any bylaw or ordinance or any such resolution or order, a concurrence of a majority of all elected ~~the whole number of the members of~~ of elected to the city council shall be required. The mayor may vote on any such matter if (1) the mayor's vote is required due to the city council members being equally divided or (2) a majority vote of all the elected members of the city council cannot be reached due to absence, vacancy, or abstention of one or more city council members. For purposes of such vote, the mayor is deemed to be a member of the city council when his or her vote will provide the additional vote required to create a number of votes equal to a majority of the number of members elected to the city council, and the mayor shall, for the purpose of such vote, be deemed to be a member of the city council. The requirements of a roll call or viva voce vote shall be satisfied by a city which utilizes an electronic voting device which allows the yeas and nays of each city council member to be readily seen by the public.

Sec. 8. Section 17-110, Reissue Revised Statutes of Nebraska, is amended to read:

17-110 (1) The mayor shall preside at all meetings of the city council of a city of the second class. The mayor may vote on any matter that requires either a majority vote of the city council or a majority vote of all the elected members of the city council if (a) the mayor's vote is required due to the city council members being equally divided or (b) a majority of the city council members or majority vote of all the elected members cannot be reached due to absence, vacancy, or abstention of one or more city council members. For purposes of such vote, the mayor is deemed to be a member of the city council.

~~(2) The mayor when his or her vote would provide the additional vote required to attain the number of votes equal to a majority of the number of members elected to the city council on any pending matter, legislation, or transaction, and the mayor shall, for the purpose of such vote, be deemed to be a member of the city council. He or she shall have superintendence and control of all the officers and affairs of the city and shall take care that the ordinances of the city and all laws governing cities of the second class are complied with.~~

Sec. 9. Section 17-614, Reissue Revised Statutes of Nebraska, is amended to read:

17-614 (1)(a) All ordinances and resolutions or orders for the appropriation or payment of money shall require for their passage or adoption the concurrence of a majority of all elected members of ~~elected to~~ the city council in a city of the second class or village board of trustees. The mayor of a city of the second class may vote on any such matter if (i) the mayor's vote is required due to the city council members being equally divided or (ii) a majority vote of all the elected members of the city council cannot be reached due to absence, vacancy, or abstention of one or more city council members. For purposes of such vote, the mayor is deemed to be a member of the city council when his or her vote would provide the additional vote required to attain the number of votes equal to a majority of the number of members elected to the city council, and the mayor shall, for the purpose of such vote, be deemed to be a member of the city council.

(b) Ordinances of a general or permanent nature shall be read by title on three different days unless three-fourths of the city council or village board of trustees vote to suspend this requirement. Such requirement shall not be suspended (i) for any ordinance for the annexation of territory or the redrawing of boundaries for city council or village board of trustees election districts or wards ~~except as otherwise provided in subsection (3) of this section~~ or (ii) as otherwise provided by law.

(c) In case such requirement is suspended, the ordinances shall be read by title and then moved for final passage.

(d) Three-fourths of the city council or village board of trustees may

require a reading of any such ordinance in full before enactment under either procedure set out in this section.

(2) Ordinances shall contain no subject which is not clearly expressed in the title, and, except as provided in section 19-915, no ordinance or section of such ordinance shall be revised or amended unless the new ordinance contains the entire ordinance or section as revised or amended and the ordinance or section so amended is repealed, except that:

(a) For an ordinance revising all the ordinances of the city of the second class or village, the title need only state that the ordinance revises all the ordinances of the city or village. Under such title all the ordinances may be revised in sections and chapters or otherwise, may be corrected, added to, and any part suppressed, and may be repealed with or without a saving clause as to the whole or any part without other title; and

(b) For an ordinance used solely to revise ordinances or code sections or to enact new ordinances or code sections in order to adopt statutory changes made by the Legislature which are specific and mandatory and bring the ordinances or code sections into conformance with state law, the title need only state that the ordinance revises those ordinances or code sections affected by or enacts ordinances or code sections generated by legislative changes. Under such title, all such ordinances or code sections may be revised, repealed, or enacted in sections and chapters or otherwise by a single ordinance without other title.

~~(3) Following the release of the 2020 Census of Population data by the United States Department of Commerce, Bureau of the Census, as required by Public Law 94-171, the city council of any city of the second class or village board of trustees requesting the adjustment of the boundaries of election districts shall provide to the election commissioner or county clerk (a) written notice of the need and necessity of his or her office to perform such adjustments and (b) a revised election district boundary map that has been approved by the requesting city council or village board of trustees and subjected to all public review and challenge ordinances of the city or village by December 30, 2021. The revised election district boundary map shall be adopted by ordinance. Such ordinance shall be read by title on three different days unless three-fourths of the members of the city council or village board of trustees vote to suspend this requirement.~~

Sec. 10. Section 18-2101, Reissue Revised Statutes of Nebraska, is amended to read:

18-2101 Sections 18-2101 to 18-2155 and sections 18 and 19 of this act shall be known and may be cited as the Community Development Law.

Sec. 11. Section 18-2101.02, Reissue Revised Statutes of Nebraska, is amended to read:

18-2101.02 (1) For any city that (a) intends to carry out a redevelopment project which will involve the construction of workforce housing in an extremely blighted area as authorized under subdivision (28)(g) of section 18-2103, (b) intends to prepare a redevelopment plan that will divide ad valorem taxes for a period of more than fifteen years but not more than twenty years as provided in subdivision (4)(a) ~~(3)(a)~~ of section 18-2147, (c) intends to declare an area as an extremely blighted area for purposes of funding decisions under subdivision (1)(b) of section 58-708, or (d) intends to declare an area as an extremely blighted area in order for individuals purchasing residences in such area to qualify for the income tax credit authorized in subsection (7) of section 77-2715.07, the governing body of such city shall first declare, by resolution adopted after the public hearings required under this section, such area to be an extremely blighted area.

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

(3) Upon receipt of the recommendations of the planning commission or board, or if no recommendations are received within thirty days after the public hearing required under subsection (2) of this section, the governing body shall hold a public hearing on the question of whether the area is extremely blighted after giving notice of the hearing as provided in section 18-2115.01. At the public hearing, all interested parties shall be afforded a reasonable opportunity to express their views respecting the proposed declaration. After such hearing, the governing body of the city may make its declaration.

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

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

(6) Notwithstanding any other provisions of the Community Development Law, the designation of an area as an extremely blighted area pursuant to this section shall be valid for a period of no less than twenty-five years from the effective date of the resolution declaring such area to be an extremely

blighted area, except that such designation may be removed prior to the end of such period pursuant to section 18 of this act.

Sec. 12. Section 18-2105, Reissue Revised Statutes of Nebraska, is amended to read:

18-2105 (1) The governing body of a city or an authority at its direction for the purposes of the Community Development Law may formulate for the city ~~entire municipality~~ a workable program for utilizing appropriate private and public resources to eliminate or prevent the development or spread of urban blight, to encourage needed urban rehabilitation, to provide for the redevelopment of substandard and blighted areas, or to undertake any or all of such ~~of the aforesaid~~ activities or other feasible ~~municipal~~ activities as may be suitably employed to achieve the objectives of such workable program. Such workable program may include, without limitation, provision for (a) the prevention of the spread of blight into areas of the city municipality which are free from blight through diligent enforcement of housing, zoning, and occupancy controls and standards; (b) the rehabilitation or conservation of substandard and blighted areas or portions of such areas thereof by replanning, removing congestion, and providing parks, playgrounds, and other public improvements by encouraging voluntary rehabilitation and by compelling the repair and rehabilitation of deteriorated or deteriorating structures; and (c) the clearance and redevelopment of substandard and blighted areas or portions of such areas thereof.

(2) As part of a workable program formulated under subsection (1) of this section, the governing body of a city or an authority may develop guidelines for the consideration or approval of redevelopment projects that are financed in whole or in part through the division of taxes as provided in section 18-2147. Such guidelines may establish general goals and priorities for the use of funds from such division of taxes or limitations or restrictions on the use of funds from such division of taxes within such city.

(3) Notwithstanding any other provisions of the Community Development Law, where the local governing body certifies that an area is in need of redevelopment or rehabilitation as a result of flood, fire, hurricane, earthquake, storm, or other catastrophe respecting which the Governor of the state has certified the need for disaster assistance under federal law, the local governing body may approve a redevelopment plan and a redevelopment project with respect to such area without regard to the provisions of the Community Development Law requiring a general plan for the city municipality and notice and public hearing or findings other than as provided in this section herein set forth.

Sec. 13. Section 18-2109, Reissue Revised Statutes of Nebraska, is amended to read:

18-2109 (1) A redevelopment plan for a redevelopment project area shall not be prepared and the governing body of the city in which such area is located shall not approve a redevelopment plan unless the governing body has, by resolution adopted after the public hearings required under this section, declared such area to be a substandard and blighted area in need of redevelopment.

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

(3) Upon receipt of the recommendations of the planning commission or board, or if no recommendations are received within thirty days after the public hearing required under subsection (2) of this section, the governing body shall hold a public hearing on the question of whether the area is substandard and blighted after giving notice of the hearing as provided in section 18-2115.01. At the public hearing, all interested parties shall be afforded a reasonable opportunity to express their views respecting the proposed declaration. After such hearing, the governing body of the city may adopt a resolution declaring that substandard and blighted conditions exist in the area under study. After the governing body has declared that substandard and blighted conditions exist in the area under study, the governing body may, by one or more resolutions, declare such area or any portion of such area to be a substandard and blighted area without further public hearing.

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

Sec. 14. Section 18-2117.01, Reissue Revised Statutes of Nebraska, is amended to read:

18-2117.01 (1)(a) On or before December 1 each year, each city which has approved one or more redevelopment plans which are financed in whole or in part through the division of taxes as provided in section 18-2147 shall provide a report to the Property Tax Administrator on each such redevelopment plan which includes the following information:

(i) A copy of the redevelopment plan and any amendments thereto, including the date upon which the redevelopment plan was approved, the effective date for dividing the ad valorem tax as provided to the county assessor pursuant to

subsection ~~(6)~~ ~~(5)~~ of section 18-2147, and the location and boundaries of the property in the redevelopment project; and

(ii) A short narrative description of the type of development undertaken by the city or village with the financing and the type of business or commercial activity locating within the redevelopment project area as a result of the redevelopment project.

(b) If a city has approved one or more redevelopment plans using an expedited review under section 18-2155, the city may file a single report under this subsection for all such redevelopment plans.

(2) The report required under subsection (1) of this section must be filed each year, regardless of whether the information in the report has changed, except that a city is not required to refile a copy of the redevelopment plan or an amendment thereto if such copy or amendment has previously been filed.

(3) The Property Tax Administrator shall compile a report for each active redevelopment project, based upon information provided by the cities pursuant to subsection (1) of this section and information reported by the county assessor or county clerk on the certificate of taxes levied pursuant to section 77-1613.01. Each report shall be electronically transmitted to the Clerk of the Legislature not later than March 1 each year. The report may include any recommendations of the Property Tax Administrator as to what other information should be included in the report from the cities so as to facilitate analysis of the uses, purposes, and effectiveness of tax-increment financing and the process for its implementation or to streamline the reporting process provided for in this section to eliminate unnecessary paperwork.

Sec. 15. Section 18-2117.02, Reissue Revised Statutes of Nebraska, is amended to read:

18-2117.02 On or before May 1 of each year, each authority, or such other division or department of the city as designated by the governing body, shall compile information regarding the approval and progress of redevelopment projects that are financed in whole or in part through the division of taxes as provided in section 18-2147 and report such information to the governing body of the city and to the governing body of each county, school district, community college area, educational service unit, and natural resources district whose property taxes are affected by such division of taxes. The report shall include, but not be limited to, the following information:

(1) The total number of active redevelopment projects within the city that have been financed in whole or in part through the division of taxes as provided in section 18-2147;

(2) The total estimated project costs for all such redevelopment projects;

(3) The estimated amount of outstanding indebtedness related to each such redevelopment project and an estimated date by which such indebtedness is expected to be paid in full;

~~(4) (3)~~ A comparison between the initial projected valuation of property included in each such redevelopment project as described in the redevelopment contract or, for redevelopment projects approved using an expedited review under section 18-2155, in the redevelopment plan and the assessed value of the property included in each such redevelopment project as of January 1 of the year of the report;

~~(5) (4)~~ The number of such redevelopment projects approved by the governing body in the previous calendar year;

~~(6) (5)~~ Information specific to each such redevelopment project approved by the governing body in the previous calendar year, including the project area, project type, amount of financing approved, and total estimated project costs;

~~(7) (6)~~ The number of redevelopment projects for which financing has been paid in full during the previous calendar year and for which taxes are no longer being divided pursuant to section 18-2147; and

~~(8) (7)~~ The percentage of the city that has been designated as blighted.

Sec. 16. Section 18-2142.05, Reissue Revised Statutes of Nebraska, is amended to read:

18-2142.05 Prior to approving a redevelopment project that expressly carries out the construction of workforce housing, a governing body shall (1) receive a housing study which is current within twenty-four months for any city of the metropolitan class or current within sixty months for any other city or village, (2) prepare an incentive plan for construction of housing in the municipality targeted to house existing or new workers, (3) hold a public hearing on such incentive plan with notice which complies with the conditions set forth in section 18-2115.01, and (4) after the public hearing find that such incentive plan is necessary to prevent the spread of blight and substandard conditions within the municipality, will promote additional safe and suitable housing for individuals and families employed in the municipality, and will not result in the unjust enrichment of any individual or company. A public hearing held under this section shall be separate from any public hearing held under section 18-2115.

Sec. 17. Section 18-2147, Reissue Revised Statutes of Nebraska, is amended to read:

18-2147 (1) Any redevelopment plan as originally approved or as later modified pursuant to section 18-2117 may contain a provision that any ad valorem tax levied upon real property, or any portion thereof, in a redevelopment project for the benefit of any public body shall be divided, for the applicable period described in subsection ~~(4)~~ ~~(3)~~ of this section, as follows:

(a) That portion of the ad valorem tax which is produced by the levy at

the rate fixed each year by or for each such public body upon the redevelopment project valuation shall be paid into the funds of each such public body in the same proportion as are all other taxes collected by or for the body. When there is not a redevelopment project valuation on a parcel or parcels, the county assessor shall determine the redevelopment project valuation based upon the fair market valuation of the parcel or parcels as of January 1 of the year prior to the year that the ad valorem taxes are to be divided. The county assessor shall provide written notice of the redevelopment project valuation to the authority as defined in section 18-2103 and the owner. The authority or owner may protest the valuation to the county board of equalization within thirty days after the date of the valuation notice. All provisions of section 77-1502 except dates for filing of a protest, the period for hearing protests, and the date for mailing notice of the county board of equalization's decision are applicable to any protest filed pursuant to this section. The county board of equalization shall decide any protest filed pursuant to this section within thirty days after the filing of the protest. The county clerk shall mail a copy of the decision made by the county board of equalization on protests pursuant to this section to the authority or owner within seven days after the board's decision. Any decision of the county board of equalization may be appealed to the Tax Equalization and Review Commission, in accordance with section 77-5013, within thirty days after the date of the decision;

(b) That portion of the ad valorem tax on real property, as provided in the redevelopment contract, bond resolution, or redevelopment plan, as applicable, in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the authority to be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such authority for financing or refinancing, in whole or in part, the redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premiums due, have been paid, the authority shall so notify the county assessor and county treasurer and all ad valorem taxes upon taxable real property in such a redevelopment project shall be paid into the funds of the respective public bodies. An authority may use a single fund for purposes of this subdivision for all redevelopment projects or may use a separate fund for each redevelopment project; and

(c) Any interest and penalties due for delinquent taxes shall be paid into the funds of each public body in the same proportion as are all other taxes collected by or for the public body.

(2) To the extent that a redevelopment plan authorizes the division of ad valorem taxes levied upon only a portion of the real property included in such redevelopment plan, any improvements funded by such division of taxes shall be related to the redevelopment plan that authorized such division of taxes.

(3)(a) For any redevelopment plan located in a city of the metropolitan class that includes a division of taxes, as provided in this section, that produces, in whole or in part, funds to be used directly or indirectly for (i) new construction, rehabilitation, or acquisition of housing for households with annual incomes below the area median income for households and located within six hundred yards of a public passenger streetcar or (ii) new construction, rehabilitation, or acquisition of single-family housing or condominium housing used as primary residences for individuals with annual incomes below the area median income for individuals, such housing shall be deemed related to the redevelopment plan that authorized such division of taxes regardless of whether such housing is or will be located on real property within such redevelopment plan, as long as such housing supports activities occurring on or identified in such redevelopment plan.

(b) During each fiscal year in which the funds described in subdivision (a) of this subsection are available, the authority and city shall make best efforts to allocate not less than thirty percent of such funds to single-family housing deemed related to the redevelopment plan described under such subdivision.

(c) In selecting projects to receive funding, the authority and city shall develop a qualified allocation plan and give first priority to financially viable projects that serve the lowest income occupants for the longest period of time.

(4)(a) ~~(3)(a)~~ For any redevelopment plan for which more than fifty percent of the property in the redevelopment project area has been declared an extremely blighted area in accordance with section 18-2101.02, ad valorem taxes shall be divided for a period not to exceed twenty years after the effective date as identified in the project redevelopment contract or in the resolution of the authority authorizing the issuance of bonds pursuant to section 18-2124.

(b) For all other redevelopment plans, ad valorem taxes shall be divided for a period not to exceed fifteen years after the effective date as identified in the project redevelopment contract, in the resolution of the authority authorizing the issuance of bonds pursuant to section 18-2124, or in the redevelopment plan, whichever is applicable.

(5) ~~(4)~~ The effective date of a provision dividing ad valorem taxes as provided in subsection ~~(4)~~ ~~(3)~~ of this section shall not occur until such time as the real property in the redevelopment project is within the corporate boundaries of the city. This subsection shall not apply to a redevelopment project involving a formerly used defense site as authorized in section 18-2123.01.

(6) ~~(5)~~ Beginning August 1, 2006, all notices of the provision for

dividing ad valorem taxes shall be sent by the authority to the county assessor on forms prescribed by the Property Tax Administrator. The notice shall be sent to the county assessor on or before August 1 of the year of the effective date of the provision. Failure to satisfy the notice requirement of this section shall result in the taxes, for all taxable years affected by the failure to give notice of the effective date of the provision, remaining undivided and being paid into the funds for each public body receiving property taxes generated by the property in the redevelopment project. However, the redevelopment project valuation for the remaining division of ad valorem taxes in accordance with subdivisions (1)(a) and (b) of this section shall be the last certified valuation for the taxable year prior to the effective date of the provision to divide the taxes for the remaining portion of the twenty-year or fifteen-year period pursuant to subsection (4) ~~(3)~~ of this section.

Sec. 18. (1) If an area has been designated as a substandard and blighted area under section 18-2109 or an extremely blighted area under section 18-2101.02, the governing body of the city may review such area at any time to determine whether the area is still eligible for the relevant designation. As part of such review, the governing body may, but need not:

(a) Examine any study or analysis of such area conducted pursuant to section 18-2101.02 or 18-2109 to determine whether the conditions that led to the relevant designation still exist; and

(b) Examine the conditions within the area to determine whether the area still qualifies as a blighted area, a substandard area, or an extremely blighted area as such terms are defined in section 18-2103.

(2) If a review is conducted under this section and the governing body of the city finds that an area is no longer a substandard and blighted area or an extremely blighted area, the governing body may remove the relevant designation by passing a resolution declaring such area to no longer be a substandard and blighted area or an extremely blighted area. If the same area has been designated as both a substandard and blighted area and an extremely blighted area, the governing body may remove both designations in a single resolution.

(3) Removal of a substandard and blighted area designation or an extremely blighted area designation pursuant to this section shall not affect the validity of (a) any redevelopment plan or redevelopment project involving such area that was approved prior to the removal of such designation or (b) any bond, security for such bond, redevelopment contract, or agreement relating to such a redevelopment plan or redevelopment project.

Sec. 19. (1) Beginning January 1, 2026, if an area has been designated as a substandard and blighted area under section 18-2109 or an extremely blighted area under section 18-2101.02 for more than thirty years, the governing body of the city shall not approve a new redevelopment plan or redevelopment project within such area unless and until the city conducts an analysis of the redevelopment projects that have occurred within such area. The analysis shall, at a minimum, include an assessment of the factors contributing to the lack of redevelopment in those parts of the area where significant redevelopment has not occurred and goals for the future redevelopment of the area. The analysis shall be provided to the planning commission or board of the city and to the governing body of the city. A copy of such analysis shall be made available for public inspection at a location designated by the city.

(2) This section does not apply to the downtown area of a city of the first class, city of the second class, or village. For purposes of this section, downtown area means the urban core of population density and concentrated commercial activity.

Sec. 20. Section 18-2155, Reissue Revised Statutes of Nebraska, is amended to read:

18-2155 (1) The governing body of a city may elect by resolution to allow expedited reviews of redevelopment plans that meet the requirements of subsection (2) of this section. A redevelopment plan that receives an expedited review pursuant to this section shall be exempt from the requirements of sections 18-2111 to 18-2115 and 18-2116.

(2) A redevelopment plan is eligible for expedited review under this section if:

(a) The redevelopment plan includes only one redevelopment project;

(b) The redevelopment project involves:

(i) The repair, rehabilitation, or replacement of an existing structure that has been within the corporate limits of the city for at least sixty years and is located within a substandard and blighted area; or

(ii) The redevelopment of a vacant lot that is located within a substandard and blighted area that has been within the corporate limits of the city for at least sixty years and has been platted for at least sixty years;

(c) The redevelopment project is located in a county with a population of less than one hundred thousand inhabitants; and

(d) The assessed value of the property within the redevelopment project area when the project is complete is estimated to be no more than:

(i) Three hundred fifty thousand dollars for a redevelopment project involving a single-family residential structure;

(ii) One million five hundred thousand dollars for a redevelopment project involving a multi-family residential structure or commercial structure; or

(iii) Ten million dollars for a redevelopment project involving the revitalization of a structure included in the National Register of Historic Places.

(3) The governing body of a city that elects to allow expedited reviews of redevelopment plans under this section may establish by resolution an annual

limit on the number of such redevelopment plans that may be approved by the governing body.

~~(4) (3)~~ The expedited review shall consist of the following steps:

(a) A redeveloper shall prepare the redevelopment plan using a standard form developed by the Department of Economic Development. The form shall include (i) the existing uses and condition of the property within the redevelopment project area, (ii) the proposed uses of the property within the redevelopment project area, (iii) the number of years the existing structure has been within the corporate limits of the city or the number of years that the vacant lot has been platted within the corporate limits of the city, whichever is applicable, (iv) the current assessed value of the property within the redevelopment project area, (v) the increase in the assessed value of the property within the redevelopment project area that is estimated to occur as a result of the redevelopment project, ~~and~~ (vi) an indication of whether the redevelopment project will be financed in whole or in part through the division of taxes as provided in section 18-2147, and (vii) the agreed-upon costs of the redevelopment project;

(b) The redeveloper shall submit the redevelopment plan directly to the governing body along with ~~any building permit or other permits necessary to complete the redevelopment project and~~ an application fee in an amount set by the governing body, not to exceed fifty dollars. Such application fee shall be separate from any fees for building permits or other permits needed for the project; and

~~(c) The If the governing body has elected to allow expedited reviews of redevelopment plans under subsection (1) of this section and the submitted redevelopment plan meets the requirements of subsection (2) of this section, the governing body shall determine whether to approve or deny the redevelopment plan within thirty days after submission of the plan. A redevelopment plan may be denied if:~~

~~(i) The redevelopment plan does not meet the requirements of subsection (2) of this section;~~

~~(ii) Approval of the redevelopment plan would exceed the annual limit established under subsection (3) of this section; or~~

~~(iii) The redevelopment plan is inconsistent with the city's comprehensive development plan.~~

~~(5) (4)~~ Each city may select the appropriate employee or department to conduct expedited reviews pursuant to this section.

~~(6) (5)~~ For any approved redevelopment project that is financed in whole or in part through the division of taxes as provided in section 18-2147:

(a) The authority shall incur indebtedness related to the redevelopment project which in the form of a promissory note issued to the owner of record of the property within the redevelopment project area. The total amount of indebtedness shall not exceed the lesser of the agreed-upon costs of the redevelopment project or the amount estimated to be generated over a fifteen-year period from the portion of taxes mentioned in subdivision (1)(b) of section 18-2147. Such ~~The terms of such promissory note shall clearly state that such indebtedness shall does not create a general obligation on behalf of the authority or the city in the event that the amount generated over a fifteen-year period from the portion of taxes mentioned in subdivision (1)(b) of section 18-2147 does not equal the costs of the agreed-upon work to repair, rehabilitate, or replace the structure or to redevelop the vacant lot as provided in the redevelopment plan;~~

(b) Upon completion of the agreed-upon work to repair, rehabilitate, or replace the structure or to redevelop the vacant lot as provided in the redevelopment plan, the redeveloper shall notify the county assessor of such completion; and

(c) The county assessor shall then determine:

(i) Whether the redevelopment project is complete. Redevelopment projects must be completed within two years after the redevelopment plan is approved under this section; and

(ii) The assessed value of the property within the redevelopment project area.

~~(7) (6)~~ After the county assessor makes the determinations required under subdivision ~~(6)(c) (5)(c)~~ of this section, the county assessor shall use a standard certification form developed by the Department of Revenue to certify to the authority:

(a) That improvements have been made and completed;

(b) That a valuation increase has occurred;

(c) The amount of the valuation increase; and

(d) That the valuation increase was due to the improvements made.

~~(8) (7)~~ Once the county assessor has made the certification required under subsection ~~(7) (6)~~ of this section, the authority may begin to use the portion of taxes mentioned in subdivision (1)(b) of section 18-2147 to pay the indebtedness incurred by the authority under subdivision ~~(6)(a) (5)(a)~~ of this section.

(9) The payments shall be remitted to the holder of the indebtedness owner of record of the property within the redevelopment project area. The changes made to this subsection by this legislative bill shall be retroactive in application and shall apply to redevelopment plans approved prior to, on, or after the operative date of this section.

~~(10) (8)~~ A single fund may be used for all redevelopment projects that receive an expedited review pursuant to this section. It shall not be necessary to create a separate fund for any such project, including a project financed in

whole or in part through the division of taxes as provided in section 18-2147.

(11) The governing body of a city that elects to allow expedited reviews of redevelopment plans under this section may revoke such election by resolution at any time. The revocation of such election shall not affect the validity of (a) any redevelopment plan or redevelopment project that was approved under this section prior to the revocation of such election or (b) any indebtedness incurred by the authority under subdivision (6)(a) of this section prior to the revocation of such election.

Sec. 21. Section 18-2709, Reissue Revised Statutes of Nebraska, is amended to read:

18-2709 (1) Qualifying business means any corporation, partnership, limited liability company, or sole proprietorship which derives its principal source of income from any of the following: The manufacture of articles of commerce; the conduct of research and development; the processing, storage, transport, or sale of goods or commodities which are sold or traded in interstate commerce; the sale of services in interstate commerce; headquarters facilities relating to eligible activities as listed in this section; telecommunications activities, including services providing advanced telecommunications capability; tourism-related activities; or the production of films, including feature, independent, and documentary films, commercials, and television programs.

(2) Qualifying business also means:

(a) In cities of the first class, cities of the second class, and villages, a business that derives its principal source of income from the construction or rehabilitation of housing;

(b) In cities of the first class, cities of the second class, and villages, a business that derives its principal source of income from early childhood care and education programs;

(c) A business that derives its principal source of income from retail trade, except that no more than forty percent of the total revenue generated pursuant to the Local Option Municipal Economic Development Act for an economic development program in any twelve-month period and no more than twenty percent of the total revenue generated pursuant to the act for an economic development program in any five-year period, commencing from the date of municipal approval of an economic development program, shall be used by the city for or devoted to the use of retail trade businesses. For purposes of this subdivision, retail trade means a business which is principally engaged in the sale of goods or commodities to ultimate consumers for their own use or consumption and not for resale; and

(d) In cities with a population of ~~five thousand two thousand five hundred~~ inhabitants or less as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, a business shall be a qualifying business even though it derives its principal source of income from activities other than those set out in this section.

(3) If a business which would otherwise be a qualifying business employs people and carries on activities in more than one city in Nebraska or will do so at any time during the first year following its application for participation in an economic development program, it shall be a qualifying business only if, in each such city, it maintains employment for the first two years following the date on which such business begins operations in the city as a participant in its economic development program at a level not less than its average employment in such city over the twelve-month period preceding participation.

(4) A qualifying business need not be located within the territorial boundaries of the city from which it is or will be receiving financial assistance.

(5) Qualifying business does not include a political subdivision, a state agency, or any other governmental entity, except as allowed for cities of the first class, cities of the second class, and villages for rural infrastructure development as provided for in subdivision (3)(b) of section 18-2705.

Sec. 22. Section 19-5504, Reissue Revised Statutes of Nebraska, is amended to read:

19-5504 (1) On or before July 1, 2021, and by each July 1 every two years thereafter, each city shall electronically submit a report to the Urban Affairs Committee of the Legislature detailing its efforts to address the availability of and incentives for affordable housing through its zoning codes, ordinances, and regulations. Such report shall include, but not be limited to:

(a) An overview of the city's current residential zoning requirements;

(b) The percentage of areas within the corporate limits of the city zoned for residential use which permit the construction of multifamily housing and middle housing, including whether such areas are zoned specifically for residential use or generally allow residential use, and whether such construction is permitted with or without any additional permit requirements;

(c) A breakdown of new residential construction within the corporate limits of the city over the previous five years, including the percentage of such construction that was single-family housing, multifamily housing, and middle housing;

(d) A breakdown of residential units annexed by the city over the previous five years, including the percentage of such units that were single-family housing, multifamily housing, and middle housing;

(e) An estimate of the per-unit cost of housing within the corporate limits of the city;

(f) Whether such zoning codes, ordinances, and regulations provide for density bonuses or other concessions or incentives which encourage residential density, and the frequency with which such bonuses, concessions, or incentives are utilized;

(g) Whether such zoning codes, ordinances, and regulations allow the construction of accessory dwelling units;

(h) What incentives the city applies to encourage the development of affordable housing, including both direct incentives and regulatory relief;

(i) The percentage of areas within the corporate limits of the city zoned for residential use which have been declared substandard and blighted areas under the Community Development Law;

(j) The percentage of areas within the corporate limits of the city zoned for residential use which have been declared extremely blighted areas under the Community Development Law;

(k) A demographic analysis of the city with trends and estimates of the housing need classified by housing type and price range; and

(l) Efforts to adopt an affordable housing action plan as required under section 19-5505 or efforts to implement an affordable housing action plan after such plan is adopted.

(2) The Urban Affairs Committee of the Legislature may require any city to present its report to the committee at a public hearing.

Sec. 23. Section 19-5505, Reissue Revised Statutes of Nebraska, is amended to read:

19-5505 (1) On or before January 1, 2023, each city with a population of fifty thousand or more inhabitants shall adopt an affordable housing action plan. On or before January 1, 2024, each city with a population of less than fifty thousand inhabitants shall adopt an affordable housing action plan. Such action plan shall include, but not be limited to:

(a) Goals for the construction of new affordable housing units, including multifamily housing and middle housing, with specific types and numbers of units, geographic locations, and specific actions to encourage the development of affordable housing, middle housing, and workforce housing;

(b) Goals for a percentage of areas in the city zoned for residential use which permit the construction of multifamily housing and middle housing;

(c) Plans for the use of federal, state, and local incentives to encourage affordable housing, middle housing, and workforce housing, including the Affordable Housing Trust Fund, the Local Option Municipal Economic Development Act, tax-increment financing, federal community development block grants, density bonuses, and other nonmonetary regulatory relief; and

(d) Updates to the city's zoning codes, ordinances, and regulations to incentivize affordable housing.

(2) An affordable housing action plan required under subsection (1) of this section may be adopted as part of a city's comprehensive plan or as a separate plan.

(3) Each city that adopts an affordable housing action plan as required under subsection (1) of this section shall electronically submit a copy of such plan to the Urban Affairs Committee of the Legislature.

(4) ~~(3)~~ Any city which fails to adopt an affordable housing action plan as required under subsection (1) of this section shall be required to allow the development of:

(a) Middle housing in all areas in the city zoned for residential use that allow for the development of detached single-family dwellings; and

(b) A duplex on each lot or parcel zoned for residential use that allows for the development of detached single-family dwellings.

(5) ~~(4)~~ A city shall amend any building zoning ordinances or regulations as needed to comply with subsection (4) ~~(3)~~ of this section.

Sec. 24. Section 58-209.01, Reissue Revised Statutes of Nebraska, is amended to read:

58-209.01 Blighted area has the same meaning as in section 18-2103 shall mean an area within a city or village (1) which by reason of the presence of a substantial number of deteriorated or deteriorating structures, defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or obsolete platting, or conditions which endanger life or property by fire and other causes or any combination of such factors substantially impairs or arrests the sound growth of the community, retards the provision of housing accommodations, or constitutes an economic or social liability and is detrimental to the public health, safety, morals, or welfare in its present condition and use and (2) in which there is at least one of the following conditions: (a) Unemployment in the designated area is at least one hundred twenty percent of the state or national average; (b) the average age of the residential or commercial units in the area is at least forty years; (c) more than half of the plotted and subdivided property in the area is unimproved land that has been within the city or village for forty years and has remained unimproved during that time; (d) the per capita income of the area is lower than the average per capita income of the municipality in which the area is designated; or (e) the area has had either stable or decreasing population based on the last two decennial censuses. A city of the metropolitan, primary, or first class shall not designate more than thirty-five percent of the city as blighted, a city of the second class shall not designate an area larger than fifty percent of the city as blighted, and a village shall

~~not designate an area larger than one hundred percent of the village as blighted.~~

Sec. 25. Section 61-305, Revised Statutes Cumulative Supplement, 2022, is amended to read:

61-305 (1) The Perkins County Canal Project Fund is created. The fund shall be administered by the Department of Natural Resources. The State Treasurer shall credit to the fund any money transferred by the Legislature and such grants, loans, donations, gifts, bequests, or other money received from any federal or state agency or public or private source for use by the department for the canal project. Any money in the Perkins County Canal Project Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act. Any investment earnings from investment of money in the Perkins County Canal Project Fund fund shall be credited to such fund, except that for fiscal years 2023-24, 2024-25, and 2025-26, such investment earnings shall be credited to the Economic Recovery Contingency Fund fund.

(2)(a) The department shall use the Perkins County Canal Project Fund fund for design, engineering, permitting, and options to purchase land related to building a canal as outlined by the South Platte River Compact and to contract with an independent firm for the purposes of completing a study of such canal. The study shall include, but may not be limited to, the following:

(i) Costs of completion of a canal and adjoining reservoirs as outlined in the South Platte River Compact;

(ii) A timeline for completion of a canal and adjoining reservoirs as outlined in the South Platte River Compact;

(iii) A cost-effectiveness study examining alternatives, including alternatives that may reduce environmental or financial impacts; and

(iv) The impacts of the canal on drinking water supplies for the cities of Lincoln and Omaha.

(b) The department shall provide the findings of such study electronically to the Clerk of the Legislature and present the findings at a public hearing held by the Appropriations Committee of the Legislature on or before December 31, 2022.

Sec. 26. Section 71-6401, Reissue Revised Statutes of Nebraska, is amended to read:

71-6401 Sections 71-6401 to 71-6407 and section 27 of this act shall be known and may be cited as the Building Construction Act.

Sec. 27. No provision of the state building code may prohibit or otherwise limit the use of a refrigerant designated as acceptable for use pursuant to and in accordance with 42 U.S.C. 7671k, as such section existed on January 1, 2023, as long as any equipment containing such refrigerant is listed and installed in accordance with safety standards and use conditions imposed pursuant to such designation.

Sec. 28. Section 72-1001, Reissue Revised Statutes of Nebraska, is amended to read:

72-1001 The Nebraska Capital Construction Fund is created. The fund shall consist of revenue and transfers credited to the fund as authorized by law. Money shall be appropriated from the fund to state agencies for making payments on projects as determined by the Legislature, including, but not limited to, purchases of land, structural improvements to land, acquisition of buildings, construction of buildings, including architectural and engineering costs, replacement of or major repairs to structural improvements to land or buildings, additions to existing structures, remodeling of buildings, and acquisition of equipment and furnishings of new or remodeled buildings. The fund shall be administered by the State Treasurer as a multiple-agency-use fund and appropriated to state agencies as determined by the Legislature. Transfers may be made from the fund to the Capitol Restoration Cash Fund at the direction of the Legislature. Any money in the Nebraska Capital Construction Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act. Any investment earnings from investment of money in the Nebraska Capital Construction Fund shall be credited to such fund, except that for fiscal years 2023-24, 2024-25, and 2025-26, any investment earnings from investment of money in the Nebraska Capital Construction Fund from transfers credited to such fund that are designated for the construction of a new state prison shall be credited to the Economic Recovery Contingency Fund.

Sec. 29. Section 76-3602, Revised Statutes Cumulative Supplement, 2022, is amended to read:

76-3602 ~~(1) Before conducting home inspections in this state and in each even-numbered year, a home inspector shall register with the Secretary of State. If the home inspector is an individual, the home inspector shall sign such registration. If the home inspector is a firm, partnership, corporation, company, association, limited liability company, or other legal entity, an officer or agent of the home inspector shall sign such registration. Such registration shall include:~~

~~(a) (1) The name of the home inspector if the home inspector is an individual or the name of the legal entity under which such home inspector proposes to register and transact business in this state;~~

~~(b) (2) The address of the home office of the home inspector;~~

~~(c) (3) The name and address of the agent for service of process on the home inspector; and~~

~~(d) (4) Any national certification relating to home inspection currently held by the home inspector.~~

(2) A home inspector may apply to renew a registration by submitting an application for renewal in a form prescribed by the Secretary of State within forty-five days prior to the expiration of the registration.

(3) A registration for a home inspector is valid for two years.

Sec. 30. Section 76-3603, Revised Statutes Cumulative Supplement, 2022, is amended to read:

76-3603 At the time of registration or renewal of a registration pursuant to section 76-3602, a home inspector shall:

(1) Pay a registration or renewal fee to the Secretary of State. The Secretary of State shall set such registration or renewal fee in an amount sufficient to defray the administrative costs of registration or renewal but not to exceed three hundred dollars. The Secretary of State shall remit such registration or renewal fee to the State Treasurer for credit to the Secretary of State Cash Fund; and

(2) Provide to the Secretary of State a certificate of insurance evidencing coverage in an amount of not less than two hundred fifty thousand dollars for general liability.

Sec. 31. Section 76-3604, Revised Statutes Cumulative Supplement, 2022, is amended to read:

76-3604 A home inspector shall report a change in information required by section 76-3602 or 76-3603 within forty-five calendar ~~thirty business~~ days of such change.

Sec. 32. Section 81-1237, Revised Statutes Cumulative Supplement, 2022, is amended to read:

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

(1) Department means the Department of Economic Development;

(2) Director means the Director of Economic Development;

(3) Eligible activities of a workforce housing investment fund means:

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

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

(c) Upper-story housing development for occupation by a homeowner;

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

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

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

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

(8) Qualified investment means a cash investment in a workforce housing investment fund administered by a nonprofit development organization;

(9) Urban community means any area that is:

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

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

(ii) Within a city of the primary class;

(10) Workforce housing means:

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

(b) Owner-occupied housing units for which the cost to substantially rehabilitate such units exceeds fifty percent of a unit's before-construction assessed value, and the after-construction appraised value of the building alone is at least one hundred twenty-five thousand dollars but not more than two hundred seventy-five thousand dollars. For purposes of this subdivision, housing unit after-construction appraised value shall be updated annually by the department based upon the most recent increase or decrease in the Producer Price Index for all commodities, published by the United States Department of Labor, Bureau of Labor Statistics;

(c) Upper-story housing for occupation by a homeowner; and

(d) Housing that does not receive federal or state low-income housing tax credits, community development block grants, HOME funds, or funds from the Affordable Housing Trust Fund; and

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

Sec. 33. Section 81-1238, Revised Statutes Cumulative Supplement, 2022, is amended to read:

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

(2) A nonprofit development organization may apply to the director for approval of a workforce housing grant for a workforce housing investment fund. The application shall be in a form and manner prescribed by the director. Through fiscal year 2026-27, grants shall be awarded by the director on a competitive basis until grant funds are no longer available. Grant maximums shall not exceed five million dollars to any one nonprofit development organization over a two-year period, with the cumulative amount for any single grantee to be determined by the department at the discretion of the director. An applicant shall provide matching funds of at least one-half of the amount of workforce housing grant funds awarded. Unallocated funds held by the department shall be rolled to the next program year.

(3) Grants shall be awarded based upon:

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

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

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

(d) Reducing barriers to the development and purchase of owner-occupied housing with flexible forms of assistance, including grants, forgivable loans, and other forms of long-term, patient financing;

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

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

(4) A workforce housing investment fund shall:

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

(b) Invest or intend to invest in eligible activities for a workforce housing investment fund;

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

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

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

Sec. 34. Section 81-1239, Revised Statutes Cumulative Supplement, 2022, is amended to read:

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

(2) The department shall establish a subaccount within the Middle Income Workforce Housing Investment Fund that shall be used to fund affordable housing and related land parcel preparation activities under the Economic Recovery Act as described in subdivisions (4)(e) and (4)(f) of section 81-12,241.

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

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

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

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

Sec. 35. Section 81-1240, Revised Statutes Cumulative Supplement, 2022, is amended to read:

81-1240 (1) Each nonprofit development organization shall submit an annual report to the director to be included as a part of the department's annual

status report required under section 81-1201.11. The report shall certify that the workforce housing investment fund meets the requirements of the Middle Income Workforce Housing Investment Act and shall include a breakdown of program activities.

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

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

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

(c) The number, geographical location, type, and amount of investments made;

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

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

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

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

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

Sec. 36. Section 81-1243, Revised Statutes Cumulative Supplement, 2022, is amended to read:

81-1243 The department may adopt and promulgate rules and regulations to administer and enforce the Middle Income Workforce Housing Investment Act, including rules, regulations, and reporting requirements relating to proposals pursuant to subdivisions (4)(e) and (f) of section 81-12,241.

Sec. 37. Section 81-12,109, Revised Statutes Cumulative Supplement, 2022, is amended to read:

81-12,109 (1) The department shall designate innovation hubs within iHub areas to stimulate partnerships, economic development, and job creation by leveraging iHub partner assets to provide an innovation platform for startup businesses, economic development organizations, business groups, and venture capitalists. The iHub partner assets may include, but are not limited to, research parks, technology incubators, universities, and federal laboratories.

(2) The department shall designate no more than four iHubs in the first congressional district, no more than three iHubs in the second congressional district, and no more than six iHubs in the third congressional district.

Sec. 38. Section 81-12,110, Revised Statutes Cumulative Supplement, 2022, is amended to read:

81-12,110 (1) Except as provided in subsection (3) of this section, a A private nonprofit corporation may apply to the director to become designated as an iHub. Applications shall be submitted on or after November 1, 2022, and before June 1, 2023. The application shall include, but not be limited to, the following:

(a) A statement of purpose;

(b) A signed statement of cooperation and a description of the roles and relationships of each iHub partner;

(c) A clear explanation and map conveying the iHub area;

(d) A clearly identified central location for the iHub, which shall be a physical location;

(e) A complete budget, including a description of secured funds, pending funds, and potential future funding sources;

(f) A clearly articulated iHub management structure and plan, which may include a description of the capabilities, qualifications, and experience of the proposed management team, team leaders, or key personnel who are critical to achieving the proposed objectives;

(g) A list of iHub assets and resources;

(h) A clearly articulated industry focus area of the iHub, including industry sectors or other targeted areas for development and growth;

(i) A list of specific resources available to support and guide startup companies;

(j) A five-year plan, which shall include a clearly articulated list of goals to be achieved with the designation of the iHub;

(k) Defined performance standards agreed upon by the applicant and the proposed iHub partners, which may include expectations for job development and business creation;

(l) Evaluation procedures that will be used to measure the level of achievement for each stated goal;

(m) A plan for sustainability;

(n) Demonstrated experience with innovation programs, such as involvement with technology commercialization;

(o) Evidence of community engagement and support; and

(p) An application fee of one thousand dollars. The director shall remit all application fees received under this section to the State Treasurer for credit to the Innovation Hub Cash Fund.

(2) The department shall establish a weighted scoring system to evaluate applications for iHub designations with priority given to start-up nonprofits expressing new and innovative ideas. Such weighted scoring system shall consider, at a minimum:

(a) Whether the iHub is committed to serving underrepresented communities in the proposed iHub area;

(b) Whether the iHub has a plan for marketing and outreach to underrepresented communities in the proposed iHub area;

(c) Whether the iHub has signed statements of cooperation with at least three proposed iHub partners; and

(d) The quality of the iHub's five-year plan.

(3) The director shall determine whether or not to approve the requested iHub designation by no later than July 1, 2023. Each iHub designation shall be for a term of five years. An applicant that has received a grant under subdivision (4)(a) of section 81-12,241 shall not qualify for designation as an iHub.

(4) The iHub designation shall not be official until a memorandum of understanding is entered into by the applicant and the director. The memorandum of understanding shall include the goals and performance standards identified in the application and other related requirements as determined by the director.

(5) An iHub area may overlap with another iHub area if there is a clear distinction between the industry focus areas of the iHubs involved, except that no iHub located within a city of the metropolitan class shall be located within three miles of another iHub.

(6) The department shall set guidelines for approval, designation, operation, and reporting of iHubs.

(7) An iHub shall annually report to the director on its progress in meeting the goals and performance standards as described in the iHub application and the implementing memorandum of understanding with the director. The report shall also include information regarding the number of businesses served, the number of jobs created, and the amount of funds raised by the iHub. The director shall annually post the information from these reports on the department's website and provide notice to the Governor and the Legislature that the information is available on the website.

Sec. 39. Section 81-12,203, Revised Statutes Cumulative Supplement, 2022, is amended to read:

81-12,203 Project means expenses incurred or to be incurred at one qualified location for:

(1) Site site acquisition and preparation, utility extensions, and rail spur construction for the development of a new industrial rail access business park, including any such expenses incurred to assist an initial tenant at such business park that conducts business in the manufacturing, processing, distribution, or transloading trades; or -

(2) Site acquisition and preparation and rail spur construction within thirty miles of the largest reservoir in this state.

Sec. 40. Section 81-12,211, Revised Statutes Cumulative Supplement, 2022, is amended to read:

81-12,211 (1) Except as provided in subsection (2) of this section ~~Subject to section 81-12,213,~~ an applicant shall, subject to section 81-12,213, be entitled to receive matching funds from the State of Nebraska as follows:

(a) For any amount of investment up to two million five hundred thousand dollars made by the applicant by the end of the transformational period, the applicant shall be entitled to receive two dollars of matching funds for each such dollar of investment; and

(b) For any amount of investment in excess of two million five hundred thousand dollars made by the applicant by the end of the transformational period, the applicant shall be entitled to receive five dollars of matching funds for each such dollar of investment.

(2) For any project described in subdivision (2) of section 81-12,203, the applicant shall be entitled to receive up to five million dollars of matching funds from the State of Nebraska without having to make any investment in the project. Any amount of matching funds in excess of five million dollars shall be paid in accordance with subsection (1) of this section.

(3) ~~(2)~~ Subject to section 81-12,213, the state shall pay the available matching funds to the applicant on an annual basis.

Sec. 41. Section 81-12,218, Revised Statutes Cumulative Supplement, 2022, is amended to read:

81-12,218 (1) The Nebraska Rural Projects Fund is hereby created. The fund shall receive money from application fees paid under the Nebraska Rural Projects Act and from transfers authorized by the Legislature, grants, private contributions, repayments of matching funds, and all other sources. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

(2) Distributions of matching funds shall only be made from the fund in amounts determined pursuant to ~~subsection (1) of~~ section 81-12,211.

Sec. 42. Section 81-12,221, Revised Statutes Cumulative Supplement, 2022, is amended to read:

81-12,221 For purposes of the Shovel-Ready Capital Recovery and Investment

Act:

(1) Capital project means a construction project to build, expand, or develop a new or existing facility or facilities or restoration work on a facility designated as a National Historic Landmark;

(2) Cost, in the context of a capital project, means the cost of land, engineering, architectural planning, contract services, construction, materials, and equipment needed to complete the capital project;

(3) COVID-19 means the novel coronavirus identified as SARS-CoV-2, the disease caused by the novel coronavirus SARS-CoV-2 or a virus mutating therefrom, and the health conditions or threats associated with the disease caused by the novel coronavirus SARS-CoV-2 or a virus mutating therefrom;

(4) Department means the Department of Economic Development;

(5) Qualified nonprofit organization means a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code that:

(a) Is related to arts, culture, or the humanities, including any organization formed for the purpose of developing and promoting the work of artists and the humanities in various visual and performing forms, such as film, sculpture, dance, painting, horticulture, multimedia, poetry, photography, performing arts, zoology, or botany; ~~or~~

(b) Operates a sports complex;

(c) Is a postsecondary educational institution in a city of the metropolitan class and partners with an organization hosting a regional or national event for purposes of infrastructure development related to furnishing and equipment for a health sciences education center, enhanced mobility by vacation of a public street, pedestrian safety, and construction of a community athletic complex; or

(d) Is a county agricultural society with facilities located within the boundaries of a city of the primary class;

(6) Sports complex means property that:

(a) Includes indoor areas, outdoor areas, or both;

(b) Is primarily used for competitive sports; and

(c) Contains multiple separate sports venues; and

(7) Sports venue includes, but is not limited to:

(a) A baseball field;

(b) A softball field;

(c) A soccer field;

(d) An outdoor stadium primarily used for competitive sports;

(e) An outdoor arena primarily used for competitive sports; and

(f) An enclosed, temperature-controlled building primarily used for competitive sports.

Sec. 43. Section 81-12,222, Revised Statutes Cumulative Supplement, 2022, is amended to read:

81-12,222 (1) Beginning July 1, 2023 ~~2021~~, through July 1, 2024 ~~15, 2021~~, a qualified nonprofit organization may apply to the department for a grant under the Shovel-Ready Capital Recovery and Investment Act. The application shall include, but not be limited to, the following information:

(a) A description of the qualified nonprofit organization's capital project;

(b) The estimated cost of the capital project; and

~~(c) The date when the capital project was delayed due to COVID-19 and the date when the capital project is expected to begin or resume, which shall be no later than June 30, 2022; and~~

(c) (d) Documentation on the amount of funds for the capital project which have been received or will be received by the qualified nonprofit organization from other private sources. Such amount shall be at least equal to the amount of any grant received under the act. The documentation provided under this subdivision does not need to identify the names of any donors.

(2) The department shall consider applications in the order in which they are received. If an applicant is a qualified nonprofit organization and otherwise qualifies for funding under the Shovel-Ready Capital Recovery and Investment Act, the department shall, subject to subsection (3) of this section, approve the application and notify the applicant of the approval.

(3) The department may approve applications within the limits of available funding. The amount of any grant approved under this section shall be equal to the amount of funds to be supplied by the qualified nonprofit organization from other private sources, as documented under subdivision (1)(c) ~~(1)(d)~~ of this section, subject to the following limitations:

(a) For any capital project with an estimated cost of less than five hundred thousand dollars, the grant shall not exceed two hundred fifty thousand dollars;

(b) (a) For any capital project with an estimated cost of at least five hundred thousand dollars but less than five million dollars, the grant shall not exceed one million five hundred thousand dollars;

(c) (b) For any capital project with an estimated cost of at least five million dollars but less than twenty-five million dollars, the grant shall not exceed five million dollars;

(d) (e) For any capital project with an estimated cost of at least twenty-five million dollars but less than fifty million dollars, the grant shall not exceed ten million dollars; ~~and~~

(e) (d) For any capital project with an estimated cost of at least fifty million dollars but less than one hundred million dollars ~~or more~~, the grant shall not exceed fifteen million dollars; ~~and~~ -

(f) For any capital project with an estimated cost of at least one hundred

million dollars, the grant shall not exceed thirty million dollars.

Sec. 44. Section 81-12,223, Revised Statutes Cumulative Supplement, 2022, is amended to read:

81-12,223 (1) Each qualified nonprofit organization that receives a grant under the Shovel-Ready Capital Recovery and Investment Act shall:

(a) Secure all of the ~~other private~~ funds described in subdivision ~~(1)(c)~~ ~~(1)(d)~~ of section 81-12,222 through a written pledge or payment by December 31, ~~2024~~ ~~2021~~, and shall begin or resume construction on the organization's capital project by June 30, ~~2025~~ ~~2022~~; and

(b) Abide by the federal laws commonly known as the Davis-Bacon and Related Acts.

(2) Any qualified nonprofit organization that fails to meet the requirements of subsection (1) of this section shall repay any grant funds received under the act.

Sec. 45. Section 81-12,225, Revised Statutes Cumulative Supplement, 2022, is amended to read:

81-12,225 (1) For any federal funds appropriated to the department pursuant to the Shovel-Ready Capital Recovery and Investment Act, it is the intent of the Legislature that the department divide the total appropriation for grants to capital projects eligible under the act equally for each congressional district and give priority to grant requests less than or equal to five million dollars. After eligible grantees with priority status have been awarded grant funds, remaining funds may be awarded on a statewide basis with the department considering each project based on the overall economic impact of the project to the respective community and the overall benefit to the State of Nebraska. It is the intent of the Legislature that the department make reasonable adjustments to dates and deadlines and request additional documentation pursuant to any requirements for the use of funds received pursuant to the federal American Rescue Plan Act of 2021.

(2) For any cash funds appropriated to the department pursuant to the Shovel-Ready Capital Recovery and Investment Act, it is the intent of the Legislature that the department divide the total appropriation for grants to capital projects eligible under the act as follows:

(a) Thirty million dollars for grants to nonprofit organizations holding a certificate of exemption under section 501(c)(3) of the Internal Revenue Code that are qualified nonprofit organizations under subdivision (5)(c) of section 81-12,221; and

(b) Remaining funds equally by each congressional district.

(3) The changes made in this section and sections 81-12,220, 81-12,221, 81-12,222, and 81-12,223 by this legislative bill apply to all grant applications filed on or after July 1, 2023. For all applications filed prior to the operative date of this section, the provisions of the Shovel-Ready Capital Recovery and Investment Act as they existed immediately prior to such date apply.

~~It is the intent of the Legislature to allocate fifteen million dollars from the General Fund and an additional amount of federal funds, subject to the appropriations process, up to the amount needed to fully fund all approved grants, from federal funds allocated to states pursuant to the American Rescue Plan Act of 2021 from the Coronavirus State Fiscal Recovery Fund and received by the State of Nebraska on or after May 26, 2021, if such use is permitted under section 9901 of the American Rescue Plan Act of 2021, for use by the department for purposes of carrying out the Shovel-Ready Capital Recovery and Investment Act.~~

Sec. 46. Section 81-12,238, Revised Statutes Cumulative Supplement, 2022, is amended to read:

81-12,238 Sections 81-12,238 to 81-12,244 and section 51 of this act shall be known and may be cited as the Economic Recovery Act.

Sec. 47. Section 81-12,240, Revised Statutes Cumulative Supplement, 2022, is amended to read:

81-12,240 For purposes of the Economic Recovery Act: ~~7~~

(1) Economic redevelopment area means an area in the State of Nebraska in which:

(a) The average rate of unemployment in the area during the period covered by the most recent federal decennial census or American Community Survey 5-Year Estimate by the United States Bureau of the Census is at least one hundred fifty percent of the average rate of unemployment in the state during the same period; and

(b) The average poverty rate in the area is twenty percent or more for the federal census tract in the area; and

(2) Qualified census tract means a qualified census tract as defined in 26 U.S.C. 42(d)(5)(B)(ii)(I), as such section existed on January 1, 2022.

Sec. 48. Section 81-12,241, Revised Statutes Cumulative Supplement, 2022, is amended to read:

81-12,241 (1) A primary responsibility of the Economic Recovery and Incentives Division of the Department of Economic Development shall be to utilize federal or state funding to award grants as provided in this section. For grants awarded under this section, the division shall pay a grantee an advance of fifty percent of the total grant awarded with the remaining grant funds paid on a monthly basis until the grant is paid in full or by December 31, 2026, whichever occurs sooner. The division may (a) require a grantee to return unused grant funds upon a documented finding that such funds are not being used for the purpose for which the grant was awarded or (b) reduce any

~~future monthly payments by the amount of such unused funds already paid. The division shall develop a coordinated plan and a grant application and scoring process to award grants under subsection (3) of this section.~~

~~(2) The division coordinated plan developed pursuant to this section shall direct and prioritize the use of grants awarded under this section toward the economic recovery of those communities and neighborhoods within qualified census tracts or economic redevelopment areas located within the boundaries of a city of the metropolitan class that were disproportionately impacted by the COVID-19 public health emergency and related challenges, with an emphasis on housing needs, assistance for small businesses, job training, and business development within such communities and neighborhoods. In prioritizing the use of grants awarded within the boundaries of a city of the metropolitan class, the Economic Recovery and Incentives Division shall ~~may~~ rely on any studies produced pursuant to section 81-12,242. ~~Not later than August 1, 2022, the division shall submit a copy of an initial coordinated plan to the Economic Recovery Special Committee of the Legislature. Not later than December 1, 2022, the division shall submit a final copy of such coordinated plan to the Economic Recovery Special Committee of the Legislature.~~~~

(3)(a) The Economic Recovery and Incentives Division shall create a Qualified Census Tract Recovery Grant Program to provide funding to public and private entities located within qualified census tracts throughout the state to respond to the negative impact of the COVID-19 public health emergency.

(b) Not to exceed ten million dollars in grants shall be distributed under the grant program to eligible grantees in qualified census tracts that are located in a city of the primary class.

(c) Not to exceed ten million dollars in grants shall be distributed under the grant program to eligible grantees in qualified census tracts that are located outside of a city of the metropolitan class or a city of the primary class.

~~(d)(i) (d) All remaining funds shall be allocated for grants distributed under the grant program to eligible grantees in qualified census tracts that are located in a city of the metropolitan class, with no less than thirty-five million dollars in such grants allocated to eligible grantees which are located south of Dodge Street and east of 72nd Street in such city and no less than fifty-five million dollars in such grants allocated to eligible grantees which are located north of Dodge Street and east of 72nd Street in such city.~~

~~(ii) Any funds not applied for within such areas may be allocated for grants to eligible grantees in any qualified census tract in such city.~~

(4) In addition to grants under the Qualified Census Tract Recovery Grant Program, the Economic Recovery and Incentives Division shall provide grant funding for the following purposes:

(a) Not to exceed ninety six million dollars in grants to a nonprofit economic development organization for the development of a business park located within or adjacent to one or more qualified census tracts located within the boundaries of a city of the metropolitan class and within two miles of a major airport as defined in section 13-3303. An innovation hub as defined in section 81-12,108 shall not qualify for a grant under this subdivision;

(b) Not to exceed thirty million dollars in grants to one or more innovation hubs located within or adjacent to ~~in~~ one or more qualified census tracts and within two miles of a major airport as defined in section 13-3303 providing services and resources within qualified census tracts located within the boundaries of a city of the metropolitan class;

(c) Not to exceed three million dollars in grants in fiscal year 2022-23 and not to exceed three million dollars in fiscal year 2023-24 to a nonprofit organization partnering with a city of the metropolitan class for the purpose of providing internships and crime prevention within qualified census tracts located within the boundaries of such city;

(d) Not to exceed five million dollars in grants pursuant to the purposes of the Nebraska Film Office Fund on or before June 30, 2023, for the purpose of producing a film on Chief Standing Bear, a portion of which is to be filmed in one or more qualified census tracts located within the boundaries of a city of the metropolitan class;

(e) Not to exceed twenty million dollars in grants to public or private entities to prepare land parcels for affordable housing or conduct other eligible affordable housing interventions under the federal American Rescue Plan Act of 2021 including production, rehabilitation, and preservation of affordable rental housing and affordable homeownership units within qualified census tracts which are located in a city of the metropolitan class;

(f) Not to exceed twenty million dollars in grants to public or private entities to prepare land parcels for affordable housing or conduct other eligible affordable housing interventions under the federal American Rescue Plan Act of 2021 including production, rehabilitation, and preservation of affordable rental housing and affordable homeownership units within qualified census tracts which are located in a city of the primary class;

(g) Not to exceed five million dollars in grants to a county agricultural society with facilities within a city of the primary class to recoup lost revenue; and

(h) Not to exceed one million dollars in grants to a postsecondary institution located in a qualified census tract in a city of the metropolitan class to provide funding for a financial literacy program to improve economic and health outcomes for individuals residing in qualified census tracts.

(5) For purposes of subdivisions (4)(e) and (f) of this section, preparing land parcels shall include:

(a) Costs and fees associated with legal land surveys and structural assessments;

~~(b) (a) Laying drinking water mains, lines, pipes, or channels;~~

(c) Development of access to essential utilities, such as sanitary sewer, electric, gas, and high-speed Internet;

~~(d) (b) Rehabilitation, renovation, maintenance, or other costs to secure vacant or abandoned properties in disproportionately impacted communities;~~

~~(e) (c) Acquiring and securing legal title of vacant or abandoned properties in disproportionately impacted communities;~~

(f) Testing, removal, (d) Removal and remediation of environmental contaminants or hazards from vacant or abandoned properties in disproportionately impacted communities when conducted in compliance with applicable environmental laws or regulations;

~~(g) (e) Demolition or deconstruction of vacant or abandoned buildings in disproportionately impacted communities; and~~

(h) (f) Costs associated with inspection fees and other administrative costs incurred to ensure compliance with applicable environmental laws and regulations for demolition or other remediation activities in disproportionately impacted communities.

(6) All grants made by the Economic Recovery and Incentives Division utilizing federal funds allocated to the State of Nebraska from the federal Coronavirus State Fiscal Recovery Fund under the federal American Rescue Plan Act of 2021 shall meet the eligible uses under such act and any relevant guidance on the use of such funds by the United States Department of the Treasury.

(7) All grants made by the Economic Recovery and Incentives Division utilizing state funds to carry out subsection (2) of section 81-1239 are subject to the intent and basic parameters of the federal American Rescue Plan Act of 2021 but are not subject to meet the time restraints for allocation and spending of funds or the federal reporting requirements indicated in the federal American Rescue Plan Act of 2021.

Sec. 49. Section 81-12,243, Revised Statutes Cumulative Supplement, 2022, is amended to read:

81-12,243 ~~(1)~~ The Economic Recovery Contingency Fund is created. The fund shall consist of transfers by the Legislature to carry out the Economic Recovery Act. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act. Investment earnings on and after July 1, 2023, shall be credited to the fund.

~~(2) No funds shall be expended from the Economic Recovery Contingency Fund until the Economic Recovery and Incentives Division of the Department of Economic Development has submitted a final copy of its coordinated plan to the Economic Recovery Special Committee of the Legislature pursuant to section 81-12,241 and to the budget administrator of the budget division of the Department of Administrative Services.~~

Sec. 50. Section 81-12,244, Revised Statutes Cumulative Supplement, 2022, is amended to read:

81-12,244 (1) It is the intent of the Legislature to appropriate ~~ten two hundred fifty million dollars from the General Fund~~ ten two hundred fifty million dollars from the General Fund federal funds for fiscal year ~~2023-24~~ 2022-23 to the Department of Economic Development to carry out the Economic Recovery Act. ~~The federal funds described in this subsection are the funds allocated to the State of Nebraska from the federal Coronavirus State Fiscal Recovery Fund pursuant to the federal American Rescue Plan Act of 2021, 42 U.S.C. 802, as amended. The department may use not more than ten million dollars of such money~~ Investment earnings on and after July 1, 2023, shall be credited to the fund.

~~(2) Of the intended appropriation described in subsection (1) of this section, eighty million dollars of such federal funds shall not be expended by the Department of Economic Development until the Economic Recovery and Incentives Division of the department has submitted a final copy of its coordinated plan to the Economic Recovery Special Committee of the Legislature pursuant to section 81-12,241.~~

(2) (3) The State Treasurer shall transfer (a) any interest earned after April 19, 2022, on federal funds allocated to the State of Nebraska from the federal Coronavirus State Fiscal Recovery Fund pursuant to the federal American Rescue Plan Act of 2021, 42 U.S.C. 802, as amended, to the Economic Recovery Contingency Fund between June 1, 2023, and June 30, 2023, and on or before June 30 each year thereafter, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services, and (b) any investment earnings from the investment of money in (i) the Perkins County Canal Project Fund pursuant to section 61-305 and (ii) the Nebraska Capital Construction Fund from transfers credited to such fund that are designated for the construction of a new state prison pursuant to section 72-1001 to the Economic Recovery Contingency Fund between June 1, 2023, and June 30, 2023, and on or before June 30 each year thereafter through June 30, 2026, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

(3) (4) It is the intent of the Legislature that any unobligated amount as of July 1, 2024, of the federal funds allocated to the State of Nebraska from the federal Coronavirus State Fiscal Recovery Fund pursuant to the federal American Rescue Plan Act of 2021, 42 U.S.C. 802, as amended, be appropriated to the Department of Economic Development to carry out the Economic Recovery Act no later than August 1, 2024.

(4) (5) It is the intent of the Legislature to appropriate ten million dollars from the General Fund to the Department of Economic Development for fiscal year 2022-23 to provide grants under the Economic Recovery Act.

(5) (6) It is the intent of the Legislature to transfer ten million dollars from the General Fund to the Economic Recovery Contingency Fund for fiscal year 2023-24 and ten million dollars from the General Fund to the Economic Recovery Contingency Fund for fiscal year 2024-25 to provide grants under the Economic Recovery Act.

~~(7) The Department of Economic Development shall not use money from the General Fund to implement or administer the grants provided under the Economic Recovery Act.~~

Sec. 51. (1)(a) The Economic Recovery and Incentives Division of the Department of Economic Development shall create and administer the North and South Omaha Recovery Grant Program to provide grants as provided in this section to public and private entities to respond to the negative impact of the COVID-19 public health emergency and build resilient and innovative communities.

(b) To be eligible for a grant under the North and South Omaha Recovery Grant Program, a project shall:

(i) Be listed in the coordination plan or appendices by the Economic Recovery Special Committee of the Legislature dated January 10, 2023; and

(ii) Explain how the grant will relieve the negative impact of the COVID-19 public health emergency within a qualified census tract or an economic redevelopment area located within the boundaries of a city of the metropolitan class and build resilient and innovative communities, with a priority on small business development, job creation, and economic development within such communities.

(2) When considering projects for grants under this section, the division shall use the coordination plan and appendices, dated January 10, 2023. Projects that would benefit communities and neighborhoods within qualified census tracts or economic redevelopment areas located within the boundaries of a city of the metropolitan class with a priority on small business development, job creation, and economic development within such communities and neighborhoods shall be prioritized.

(3) The division shall award additional grants for the following purposes:

(a) Not to exceed twenty million dollars in grants for the purpose of creating a museum located in one or more qualified census tracts located within the boundaries of a city of the metropolitan class and that is named in honor of a person inducted into the Nebraska Hall of Fame on or before September 1, 2023; and

(b) Not to exceed twenty million dollars in grants to federally qualified health centers located in a city of the metropolitan class. Such grants shall be used for persons receiving services under subsections (g), (h), or (i) of section 330 of the federal Public Health Service Act, 42 U.S.C. 254b, as such section existed on January 1, 2023.

(4) For grants awarded under this section, the division shall pay a grantee an advance of fifty percent of the total grant awarded with the remaining grant funds paid on a monthly basis until the grant is paid in full or by December 31, 2027, whichever occurs sooner. If a grantee does not use the grant funds paid, the division may (a) require such grantee to return such unused grant funds upon a documented finding that such funds have not been used or (b) reduce any future monthly payments by the amount of such unused grant funds already paid.

Sec. 52. Section 84-612, Revised Statutes Cumulative Supplement, 2022, is amended to read:

84-612 (1) There is hereby created within the state treasury a fund known as the Cash Reserve Fund which shall be under the direction of the State Treasurer. The fund shall only be used pursuant to this section.

(2) The State Treasurer shall transfer funds from the Cash Reserve Fund to the General Fund upon certification by the Director of Administrative Services that the current cash balance in the General Fund is inadequate to meet current obligations. Such certification shall include the dollar amount to be transferred. Any transfers made pursuant to this subsection shall be reversed upon notification by the Director of Administrative Services that sufficient funds are available.

(3) In addition to receiving transfers from other funds, the Cash Reserve Fund shall receive federal funds received by the State of Nebraska for undesignated general government purposes, federal revenue sharing, or general fiscal relief of the state.

(4) The State Treasurer shall transfer fifty-four million seven hundred thousand dollars on or after July 1, 2019, but before June 15, 2021, from the Cash Reserve Fund to the Nebraska Capital Construction Fund on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

(5) The State Treasurer shall transfer two hundred fifteen million five hundred eighty thousand dollars from the Cash Reserve Fund to the Nebraska Capital Construction Fund on or after July 1, 2022, but before June 15, 2023, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

(6) The State Treasurer shall transfer fifty-three million five hundred thousand dollars from the Cash Reserve Fund to the Perkins County Canal Project Fund on or before June 30, 2023, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of

Administrative Services.

(7) No funds shall be transferred from the Cash Reserve Fund to fulfill the obligations created under the Nebraska Property Tax Incentive Act unless the balance in the Cash Reserve Fund after such transfer will be at least equal to five hundred million dollars.

(8) The State Treasurer shall transfer thirty million dollars from the Cash Reserve Fund to the Military Base Development and Support Fund on or before June 30, 2023, but not before July 1, 2022, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

(9) The State Treasurer shall transfer eight million three hundred thousand dollars from the Cash Reserve Fund to the Trail Development and Maintenance Fund on or after July 1, 2022, but before July 30, 2022, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

(10) The State Treasurer shall transfer fifty million dollars from the Cash Reserve Fund to the Nebraska Rural Projects Fund on or after July 1, 2022, but before July 15, 2023, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

(11) The State Treasurer shall transfer thirty million dollars from the Cash Reserve Fund to the Rural Workforce Housing Investment Fund on or after July 1, 2022, but before July 15, 2023, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

(12) The State Treasurer shall transfer twenty million dollars from the Cash Reserve Fund to the Intern Nebraska Cash Fund on or after July 1, 2022, but before June 15, 2023, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

(13) The State Treasurer shall transfer twenty million dollars from the Cash Reserve Fund to the Middle Income Workforce Housing Investment Fund on July 15, 2022, or as soon thereafter as administratively possible, and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

(14) The State Treasurer shall transfer eighty million dollars from the Cash Reserve Fund to the Jobs and Economic Development Initiative Fund on or after July 1, 2022, but before July 15, 2023, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

(15) The State Treasurer shall transfer twenty million dollars from the Cash Reserve Fund to the Site and Building Development Fund on July 15, 2022, or as soon thereafter as administratively possible, and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

(16) The State Treasurer shall transfer fifty million dollars from the Cash Reserve Fund to the Surface Water Irrigation Infrastructure Fund on or after July 15, 2022, but before January 1, 2023, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

(17) The State Treasurer shall transfer fifteen million dollars from the Cash Reserve Fund to the Site and Building Development Fund on or before June 30, 2022, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

(18) The State Treasurer shall transfer fifty-five million dollars from the Cash Reserve Fund to the Economic Recovery Contingency Fund on or before June 30, 2022, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

(19) The State Treasurer shall transfer ten million dollars from the Cash Reserve Fund to the General Fund as soon as administratively possible after the operative date of this section, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

(20) The State Treasurer shall transfer one million dollars from the Cash Reserve Fund to the Revitalize Rural Nebraska Fund as soon as administratively possible after the operative date of this section, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

Sec. 53. (1) The Game and Parks Commission shall construct, develop, and manage a museum and visitor center honoring Chief Standing Bear.

(2) It is the intent of the Legislature to appropriate to the Game and Parks Commission for the Chief Standing Bear Museum and visitor center:

(a) Not more than fifteen million dollars for fiscal year 2025-26 from investment earnings from the Perkins County Canal Project Fund and credited to the Economic Recovery Contingency Fund as provided in section 61-305 for construction of the museum and visitor center;

(b) Seven hundred fifty thousand dollars for fiscal year 2025-26 from investment earnings from the Perkins County Canal Project Fund and credited to the Economic Recovery Contingency Fund as provided in section 61-305 for exhibit fabrication and historical interpretation; and

(c) Two hundred thousand dollars in fiscal year 2025-26 for staffing.

(3) The Game and Parks Commission may execute a memorandum of understanding or contract with the Nebraska State Historical Society for purposes of museum and visitor center development, exhibit fabrication, and historical interpretation.

Sec. 54. The Game and Parks Commission shall purchase or receive by donation, and subsequently rehabilitate and manage, the Mayhew Cabin historical site located in Nebraska City, Nebraska.

Sec. 55. Sections 21, 26, 27, 32, and 57 of this act become operative three calendar months after the adjournment of this legislative session. The other sections of this act become operative on their effective date.

Sec. 56. If any section in this act or any part of any section is declared invalid or unconstitutional, the declaration shall not affect the validity or constitutionality of the remaining portions.

Sec. 57. Original sections 18-2709 and 71-6401, Reissue Revised Statutes of Nebraska, and section 81-1237, Revised Statutes Cumulative Supplement, 2022, are repealed.

Sec. 58. Original sections 16-312, 16-404, 16-503, 17-110, 17-614, 18-2101, 18-2101.02, 18-2105, 18-2109, 18-2117.01, 18-2117.02, 18-2142.05, 18-2147, 18-2155, 19-5504, 19-5505, 58-209.01, and 72-1001, Reissue Revised Statutes of Nebraska, and sections 61-305, 76-3602, 76-3603, 76-3604, 81-1238, 81-1239, 81-1240, 81-1243, 81-12,109, 81-12,110, 81-12,203, 81-12,211, 81-12,218, 81-12,221, 81-12,222, 81-12,223, 81-12,225, 81-12,238, 81-12,240, 81-12,241, 81-12,243, 81-12,244, and 84-612, Revised Statutes Cumulative Supplement, 2022, are repealed.

Sec. 59. Since an emergency exists, this act takes effect when passed and approved according to law.