

AMENDMENTS TO LB768

Introduced by Banking, Commerce and Insurance.

1           1. Strike the original sections and insert the following new  
2 sections:

3           **Section 1.** Section 58-201, Revised Statutes Cumulative Supplement,  
4 2024, is amended to read:

5           58-201 Sections 58-201 to 58-273 and sections 2 and 3 of this act  
6 shall be known and may be cited as the Nebraska Investment Finance  
7 Authority Act.

8           **Sec. 2.** (1) In addition to the powers granted under section 58-239,  
9 the authority may:

10           (a) Support, establish, operate, manage, invest in, participate in,  
11 and own nonprofit entities, nonprofit subsidiaries, or other nonprofit  
12 consortia, in each case to further carry out the purposes of the Nebraska  
13 Investment Finance Authority Act, including with respect to projects for  
14 which financing or other resources are provided pursuant to the act; and

15           (b) Transfer assets of the authority to an entity created pursuant  
16 to this section.

17           (2) Unless otherwise provided by the authority, the debts,  
18 liabilities, and obligations of any such entity, subsidiary, or other  
19 consortium shall not be debts, liabilities, or obligations of the  
20 authority.

21           **Sec. 3.** (1) For purposes of this section, public funds has the same  
22 meaning as in section 81-11,106.

23           (2) If the authority administers any grant or loan program involving  
24 public funds pursuant to an agreement with a state agency, the following  
25 requirements shall apply:

26           (a) The authority shall provide information regarding such grant or  
27 loan program and the public funds involved in such program to such state

1 agency, upon such agency's request, in order to allow the state agency to  
2 comply with its responsibilities under section 81-1113;

3 (b) The authority shall record information regarding such grant or  
4 loan program and the public funds involved in such program in an  
5 accounting system. The information to be recorded in the accounting  
6 system shall include:

7 (i) All revenue and fund balances relating to such public funds;

8 (ii) All expenditures of such public funds, including the amount of  
9 all grant and loan awards; and

10 (iii) All schedules of uses of funds, including all invoices and  
11 other supporting documentation, that are submitted by grant or loan  
12 recipients under such grant or loan program, except that the requirement  
13 to include such schedules and documentation shall apply only to the  
14 extent such information is in the possession of the authority; and

15 (c) The authority shall allow such state agency, the Legislative  
16 Fiscal Analyst, and the budget administrator of the budget division of  
17 the Department of Administrative Services to have access to the  
18 accounting system described in subdivision (2)(b) of this section, upon  
19 request.

20 **Sec. 4.** Section 58-701, Revised Statutes Supplement, 2025, is  
21 amended to read:

22 58-701 Sections 58-701 to 58-711 and section 8 of this act 58-712  
23 shall be known and may be cited as the Nebraska Affordable Housing Act.

24 **Sec. 5.** Section 58-703, Revised Statutes Cumulative Supplement,  
25 2024, is amended to read:

26 58-703 The Affordable Housing Trust Fund is created. The fund shall  
27 receive money pursuant to section 76-903 and may include revenue from  
28 sources recommended by the housing advisory committee established in  
29 section 58-704, appropriations from the Legislature, transfers authorized  
30 by the Legislature, grants, private contributions, repayment of loans,  
31 and funds from all other sources. The Department of Economic Development

1 as part of its comprehensive housing affordability strategy shall  
2 administer the Affordable Housing Trust Fund.

3 Transfers may be made from the Affordable Housing Trust Fund to the  
4 General Fund, the Behavioral Health Services Fund, the Lead-Based Paint  
5 Hazard Control Cash Fund, the Middle Income Workforce Housing Investment  
6 Fund, the Rural Workforce Housing Investment Fund, and the Site and  
7 Building Development Fund at the direction of the Legislature.

8 **Sec. 6.** Section 58-708, Revised Statutes Supplement, 2025, is  
9 amended to read:

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

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

28 (b) Give first priority in allocating trust fund assistance among  
29 selected projects to those projects which are located in whole or in part  
30 within an enterprise zone designated pursuant to the Enterprise Zone Act  
31 or an opportunity zone designated pursuant to the federal Tax Cuts and

1 Jobs Act, Public Law 115-97, serve the lowest income occupant, are  
2 located in an area that has been declared an extremely blighted area  
3 under section 18-2101.02, and are obligated to serve qualified occupants  
4 for the longest period of time.

5 ~~(2) Beginning on July 1, 2026:~~

6 (2) (a) The Department of Economic Development shall disburse grant  
7 funds to a qualified recipient equal to eighty percent of the amount  
8 awarded to a qualified recipient housing development costs of such  
9 recipient, excluding general administration costs, housing management  
10 fees, lead-based paint test costs, and technical assistance costs, once  
11 the department approves such recipient for funding and shall disburse the  
12 remaining twenty percent of such amount, excluding general administration  
13 costs, housing management fees, lead-based paint test costs, and  
14 technical assistance costs, upon the completion of the project. The funds  
15 shall be held in an interest-bearing construction disbursement escrow  
16 account and shall be disbursed for qualified expenses upon sufficient  
17 presentation of partial lien releases and supporting invoices or  
18 receipts, as determined by the escrow company in the exercise of its  
19 duties. The escrow company shall be a licensed title insurance company,  
20 financial institution, or third-party law firm. Interest received from  
21 the funds while in escrow may be used to pay for the escrow company fees.  
22 The use of any additional interest shall be determined by the department.  
23 Any funds remaining in the escrow account after qualified expenses are  
24 paid shall be returned to the department. grant funds; and

25 ~~(b) The department shall disburse grant funds to a qualified~~  
26 ~~recipient equal to twenty percent of the housing development costs of~~  
27 ~~such recipient, excluding general administration costs, housing~~  
28 ~~management fees, lead-based paint test costs, and technical assistance~~  
29 ~~costs, upon the completion of the project.~~

30 (3)(a) Beginning on October 1, 2025, a qualified recipient shall  
31 submit to the Department of Economic Development a schedule of uses of

1 funds for eligible activities on a quarterly basis, no later than thirty  
2 days after the end of each calendar quarter, during the time of  
3 performance under the award agreement.

4 (b) The schedule of uses of funds for eligible activities shall  
5 include an itemization of costs for eligible activities. If reasonable,  
6 the department may require source documentation and proof of payment,  
7 including, but not limited to, a paid invoice, completed payment, or  
8 cleared check, to be submitted with the schedule as evidence of  
9 appropriate use of funds. Qualified recipients shall ensure proper use of  
10 funds. The department is not responsible for the audit or approval of  
11 each of the qualified recipient's transactions involving funds.

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

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

17 (ii) Disqualification of the qualified recipient in pending  
18 applications for other department programs;

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

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

28 (4) Beginning July 1, 2027, the Department of Economic Development  
29 shall prescribe annual reporting requirements to collect sufficient  
30 information from qualified recipients to determine the amount of funds  
31 obligated to projects, the repayment terms of such funds, and the current

1 balance of funds unspent or repaid. The reporting requirements shall also  
2 require qualified recipients to provide an accounting of awards granted  
3 for the purpose described in subdivision (10) of section 58-706,  
4 including the award amount and estimates related to equity earned on  
5 homes purchased with such awards. If a qualified recipient fails to meet  
6 the reporting requirements of this subsection, such qualified recipient  
7 may be required to return all awarded funds to the department and  
8 transfer equity positions of recoverable housing assistance funds to the  
9 department to the satisfaction of the department.

10 (5) ~~(4)~~ The Department of Economic Development shall fund in order  
11 of priority as many applications as will utilize available funds less  
12 actual administrative costs of the department in administering the  
13 program. In administering the program, the department may contract for  
14 services or directly provide funds to other governmental entities or  
15 instrumentalities.

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

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

29 (c) A qualified recipient shall recapture any funds allocated to  
30 such recipient from the Affordable Housing Trust Fund that are provided  
31 to a homebuyer by the recipient as financial assistance for the purchase

1 of a home upon sale of such home from the net proceeds of such sale, is  
2 any.

3 **Sec. 7.** Section 58-709, Reissue Revised Statutes of Nebraska, is  
4 amended to read:

5 58-709 The Department of Economic Development, in consultation with  
6 the Nebraska Investment Finance Authority ~~and the housing advisory~~  
7 ~~committee established in section 58-704~~, shall adopt and promulgate rules  
8 and regulations to carry out the Nebraska Affordable Housing Act. The  
9 department shall monitor programs to see that only qualified individuals  
10 and families are occupying projects funded by the Affordable Housing  
11 Trust Fund.

12 **Sec. 8.** (1) The Department of Economic Development may contract  
13 with a statewide public or private nonprofit organization or a state  
14 instrumentality which shall serve as agent for the department to help  
15 carry out the purposes and requirements of the Nebraska Affordable  
16 Housing Act.

17 (2) If the department utilizes an agent pursuant to this section,  
18 then any reference to the department in relationship to duties under the  
19 Nebraska Affordable Housing Act shall include such agent to the extent  
20 that the agreement between the department and the agent so specifies.

21 **Sec. 9.** Section 72-804, Revised Statutes Supplement, 2025, is  
22 amended to read:

23 72-804 (1) Any new state building shall meet or exceed the  
24 requirements of the 2018 International Energy Conservation Code published  
25 by the International Code Council. For purposes of this subsection, new  
26 state building does not include any building that (a) is constructed or  
27 repaired using state funds received in the form of a grant or loan from  
28 the state and (b) will not be owned or managed by the state upon the  
29 completion of such construction or repair.

30 (2) Any new lighting, heating, cooling, ventilating, or water  
31 heating equipment or controls in a state-owned building and any new

1 building envelope components installed in a state-owned building shall  
2 meet or exceed the requirements of the 2018 International Energy  
3 Conservation Code.

4 (3) The State Building Administrator of the Department of  
5 Administrative Services, in consultation with the Department of Water,  
6 Energy, and Environment, may specify:

7 (a) A more recent edition of the International Energy Conservation  
8 Code;

9 (b) Additional energy efficiency or renewable energy requirements  
10 for buildings; and

11 (c) Waivers of specific requirements which are demonstrated through  
12 life-cycle cost analysis to not be in the state's best interest. The  
13 agency receiving the funding shall be required to provide a life-cycle  
14 cost analysis to the State Building Administrator.

15 **Sec. 10.** Section 72-805, Revised Statutes Supplement, 2025, is  
16 amended to read:

17 72-805 (1) Except as provided in subsection (2) of this section  
18 ~~58-712 for certain projects funded by the Affordable Housing Trust Fund,~~  
19 the 2018 International Energy Conservation Code, published by the  
20 International Code Council, applies to all new buildings constructed in  
21 whole or in part with state funds after July 1, 2020. The Department of  
22 Water, Energy, and Environment shall review building plans and  
23 specifications necessary to determine whether a building will meet the  
24 requirements of this subsection ~~section~~, except that the department shall  
25 not be required to review building plans and specifications upon evidence  
26 that the building plans and specifications have previously been reviewed  
27 by a county, city, or village enforcing a local building or construction  
28 code adopted pursuant to section 71-6406 if such local building or  
29 construction code includes the requirements of the 2018 International  
30 Energy Conservation Code. The department shall provide a copy of any  
31 review to the agency receiving funding. The agency receiving the funding

1 shall verify that the building as constructed meets or exceeds the code.  
2 The verification shall be provided to the department.

3 (2) This section does not apply to any building that (a) is  
4 constructed or repaired using state funds received in the form of a grant  
5 or loan from the state and (b) will not be owned or managed by the state  
6 upon the completion of such construction or repair.

7 (3) The Director of Water, Energy, and Environment may, in  
8 consultation with the State Building Administrator of the Department of  
9 Administrative Services, adopt and promulgate rules and regulations to  
10 carry out this section.

11 **Sec. 11.** Section 81-1232, Reissue Revised Statutes of Nebraska, is  
12 amended to read:

13 81-1232 (1) The department shall use its best efforts to assure that  
14 grant funds awarded to nonprofit development organizations are targeted  
15 to the geographic communities or regions with the most pressing economic  
16 and employment needs.

17 (2) The department shall use its best efforts to assure that the  
18 allocation of grant funds provides equitable access to the benefits  
19 provided by the Rural Workforce Housing Investment Act to all eligible  
20 geographical areas.

21 (3) The department may contract with a statewide public or private  
22 nonprofit organization or a state instrumentality which shall serve as  
23 agent for the department to help carry out the purposes and requirements  
24 of the Rural Workforce Housing Investment Act. The department or its  
25 agent may only use for expenses that portion of the funds available for  
26 the workforce housing grant program through the Rural Workforce Housing  
27 Investment Fund necessary to cover the actual costs of administering the  
28 program, including, but not limited to, the hiring of staff.

29 **Sec. 12.** Section 81-1241, Reissue Revised Statutes of Nebraska, is  
30 amended to read:

31 81-1241 (1) The department shall use its best efforts to assure that

1 any grant funds awarded to a nonprofit development organization are  
2 targeted to the geographic communities or regions with the most pressing  
3 housing, economic, and employment needs.

4 (2) The department shall use its best efforts to assure that the  
5 allocation of grant funds provides equitable access to the benefits  
6 provided by the Middle Income Workforce Housing Investment Act to all  
7 eligible neighborhoods and communities.

8 (3) The director may contract with a statewide public or private  
9 nonprofit organization or a state instrumentality which shall serve as  
10 agent for the department to help carry out the purposes and requirements  
11 of the Middle Income Workforce Housing Investment Act. The department or  
12 its agent may only use for expenses that portion of the funds available  
13 for the workforce housing investment grant program through the Middle  
14 Income Workforce Housing Investment Fund necessary to cover the actual  
15 costs of administering the program.

16 **Sec. 13.** Original sections 58-709, 81-1232, and 81-1241, Reissue  
17 Revised Statutes of Nebraska, sections 58-201 and 58-703, Revised  
18 Statutes Cumulative Supplement, 2024, and sections 58-701, 58-708,  
19 72-804, and 72-805, Revised Statutes Supplement, 2025, are repealed.

20 **Sec. 14.** The following sections are outright repealed: Section  
21 58-704, Reissue Revised Statutes of Nebraska, and section 58-712, Revised  
22 Statutes Supplement, 2025.