

## ENGROSSED LEGISLATIVE BILL 722

Introduced by Quick, 35.

A BILL FOR AN ACT relating to behavioral health services; to amend section 71-812, Revised Statutes Supplement, 2025; to allow use of the Behavioral Health Services Fund for individuals with substance use disorder as prescribed; to define and redefine terms; and to repeal the original section.

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

**Section 1.** Section 71-812, Revised Statutes Supplement, 2025, is amended to read:

71-812 (1) The Behavioral Health Services Fund is created. The fund shall be administered by the division and shall contain cash funds appropriated by the Legislature or otherwise received by the department for the provision of behavioral health services from any other public or private source and directed by the Legislature for credit to the fund. Transfers may be made from the fund to the General Fund at the direction of the Legislature.

(2) The Behavioral Health Services Fund shall be used to encourage and facilitate the statewide development and provision of community-based behavioral health services, including, but not limited to, (a) the provision of grants, loans, and other assistance for such purpose and (b) reimbursement to providers of such services.

(3)(a) Money transferred to the fund under section 76-903 shall be used for housing-related assistance for very low-income adults with serious mental illness or substance abuse disorder, except that if the division determines that all housing-related assistance obligations under this subsection have been fully satisfied, the division may distribute any excess, up to twenty percent of such money, to regional behavioral health authorities for acquisition or rehabilitation of housing to assist such individuals. The division shall manage and distribute such funds based upon a formula established by the division, in

consultation with regional behavioral health authorities and the department, in a manner consistent with and reasonably calculated to promote the purposes of the public behavioral health system enumerated in section 71-803. The division shall contract with each regional behavioral health authority for the provision of such assistance. Each regional behavioral health authority may contract with qualifying public, private, or nonprofit entities for the provision of such assistance.

(b) For purposes of this subsection:

(i) Adult with serious mental illness means an individual eighteen years of age or older who has, or at any time during the immediately preceding twelve months has had, a diagnosable mental, behavioral, or emotional disorder of sufficient duration to meet diagnostic criteria identified in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders and which has resulted in functional impairment that substantially interferes with, or limits, one or more major life functions. Serious mental illness does not include a diagnosis with a DSM v-code, a substance abuse disorder, or a developmental disability unless such conditions exist concurrently with a diagnosable serious mental illness;

(ii) Housing-related assistance includes rental payments, utility payments, security and utility deposits, landlord risk mitigation payments, and other related costs and payments;

(iii) Landlord risk mitigation payment means a payment provided to a landlord who leases or rents property to a very low-income adult with serious mental illness or substance use disorder which may be used to pay for excessive damage to the rental property, any lost rent, any legal fees incurred by the landlord in excess of the security deposit, or any other expenses incurred by the landlord as a result of leasing or renting the property to such individual;

(iv) Substance use disorder has the same meaning as defined in section 71-430; and

(v) Very low-income means a household income of fifty percent or less of the applicable median family income estimate as established by the United

States Department of Housing and Urban Development.

(4) 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.

**Sec. 2.** Original section 71-812, Revised Statutes Supplement, 2025, is repealed.

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**PRESIDENT OF THE LEGISLATURE**

*THIS IS TO CERTIFY that the within LB 722 was passed by the One Hundred Ninth Legislature of Nebraska at its Second Session on the ..... day of ..... 20.....*

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**CLERK OF THE LEGISLATURE**

**Approved:**

..... 20....., ..... o'clock .....M.

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**GOVERNOR**