

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 768

Introduced by Dover, 19.

Read first time January 07, 2026

Committee: Banking, Commerce and Insurance

1 A BILL FOR AN ACT relating to grants and other financial assistance; to
2 amend sections 58-709, 81-1232, and 81-1241, Reissue Revised
3 Statutes of Nebraska, sections 58-201 and 58-703, Revised Statutes
4 Cumulative Supplement, 2024, and sections 58-701, 58-708, 72-804,
5 and 72-805, Revised Statutes Supplement, 2025; to provide powers for
6 the Nebraska Investment Finance Authority; to change and eliminate
7 provisions of the Nebraska Affordable Housing Act; to change
8 provisions relating to new state buildings and buildings constructed
9 with state funds; to authorize certain contracts under the Nebraska
10 Affordable Housing Act, the Rural Workforce Housing Investment Act,
11 and the Middle Income Workforce Housing Investment Act; to eliminate
12 a housing advisory committee; to harmonize provisions; to repeal the
13 original sections; and to outright repeal section 58-704, Reissue
14 Revised Statutes of Nebraska, and section 58-712, Revised Statutes
15 Supplement, 2025.
16 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 58-201, Revised Statutes Cumulative Supplement,
2 2024, is amended to read:

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

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

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

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

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

18 **Sec. 3.** Section 58-701, Revised Statutes Supplement, 2025, is
19 amended to read:

20 58-701 Sections 58-701 to 58-711 and section 7 of this act ~~58-712~~
21 shall be known and may be cited as the Nebraska Affordable Housing Act.

22 **Sec. 4.** Section 58-703, Revised Statutes Cumulative Supplement,
23 2024, is amended to read:

24 58-703 The Affordable Housing Trust Fund is created. The fund shall
25 receive money pursuant to section 76-903 and may include ~~revenue from~~
26 ~~sources recommended by the housing advisory committee established in~~
27 ~~section 58-704,~~ appropriations from the Legislature, transfers authorized
28 by the Legislature, grants, private contributions, repayment of loans,
29 and funds from all other sources. The Department of Economic Development
30 as part of its comprehensive housing affordability strategy shall
31 administer the Affordable Housing Trust Fund.

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

6 **Sec. 5.** Section 58-708, Revised Statutes Supplement, 2025, is
7 amended to read:

8 58-708 (1) During each calendar year in which funds are available
9 from the Affordable Housing Trust Fund for use by the Department of
10 Economic Development, the department shall make its best efforts to
11 allocate not less than thirty percent of such funds to each congressional
12 district. The department shall announce a grant and loan application
13 period of at least sixty ~~ninety~~ days duration for all projects. Before a
14 grant application for any new construction project can be submitted to
15 the department, the land for the project shall be identified. In
16 selecting projects to receive trust fund assistance, the department shall
17 develop a qualified allocation plan and give first priority to
18 financially viable projects that serve the lowest income occupants for
19 the longest period of time. The qualified allocation plan shall:

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

26 (b) Give first priority in allocating trust fund assistance among
27 selected projects to those projects which are located in whole or in part
28 within an enterprise zone designated pursuant to the Enterprise Zone Act
29 or an opportunity zone designated pursuant to the federal Tax Cuts and
30 Jobs Act, Public Law 115-97, serve the lowest income occupant, are
31 located in an area that has been declared an extremely blighted area

1 under section 18-2101.02, and are obligated to serve qualified occupants
2 for the longest period of time.

3 (2) Beginning on July 1, 2026:

4 (a) The Department of Economic Development shall disburse grant
5 funds to a qualified recipient equal to eighty percent of the housing
6 development costs of such recipient, excluding general administration
7 costs, housing management fees, lead-based paint test costs, and
8 technical assistance costs, once the department approves such recipient
9 for grant funds. The grant funds shall be held in an interest-bearing
10 construction disbursement escrow account and shall be disbursed to a
11 qualified recipient upon sufficient presentation of partial lien releases
12 and supporting invoices or receipts, as determined by the escrow company
13 in the exercise of its duties. The escrow company shall be a licensed
14 title insurance company, financial institution, or third-party law firm;
15 and

16 (b) The department shall disburse grant funds to a qualified
17 recipient equal to twenty percent of the housing development costs of
18 such recipient, excluding general administration costs, housing
19 management fees, lead-based paint test costs, and technical assistance
20 costs, upon the completion of the project.

21 (3)(a) Beginning on October 1, 2025, a qualified recipient shall
22 submit to the Department of Economic Development a schedule of uses of
23 funds for eligible activities on a quarterly basis, no later than thirty
24 days after the end of each calendar quarter, during the time of
25 performance under the award agreement.

26 (b) The schedule of uses of funds for eligible activities shall
27 include an itemization of costs for eligible activities. If reasonable,
28 the department may require source documentation and proof of payment,
29 including, but not limited to, a paid invoice, completed payment, or
30 cleared check, to be submitted with the schedule as evidence of
31 appropriate use of funds. Qualified recipients shall ensure proper use of

1 funds. The department is not responsible for the audit or approval of
2 each of the qualified recipient's transactions involving funds.

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

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

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

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

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

19 (4) The Department of Economic Development shall fund in order of
20 priority as many applications as will utilize available funds less actual
21 administrative costs of the department in administering the program. In
22 administering the program, the department may contract for services or
23 directly provide funds to other governmental entities or
24 instrumentalities.

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

31 (b) Upon completion of a project, the department shall recapture a

1 percentage of the funds which were allocated to a qualified recipient for
2 an eligible project through an award agreement equal to the percentage of
3 the housing development the qualified recipient agreed to construct under
4 the award agreement but failed to complete, along with any interest
5 accrued on the funds. Any funds recaptured under this subdivision shall
6 be credited to the Affordable Housing Trust Fund.

7 (c) A qualified recipient shall recapture any funds allocated to
8 such recipient from the Affordable Housing Trust Fund that are provided
9 to a homebuyer by the recipient as financial assistance for the purchase
10 of a home upon sale of such home from the net proceeds of such sale, if
11 any.

12 **Sec. 6.** Section 58-709, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 58-709 The Department of Economic Development, in consultation with
15 the Nebraska Investment Finance Authority ~~and the housing advisory~~
16 ~~committee established in section 58-704~~, shall adopt and promulgate rules
17 and regulations to carry out the Nebraska Affordable Housing Act. The
18 department shall monitor programs to see that only qualified individuals
19 and families are occupying projects funded by the Affordable Housing
20 Trust Fund.

21 **Sec. 7.** The Department of Economic Development may contract with a
22 statewide public or private nonprofit organization or a state
23 instrumentality which shall serve as agent for the department to help
24 carry out the purposes and requirements of the Nebraska Affordable
25 Housing Act.

26 **Sec. 8.** Section 72-804, Revised Statutes Supplement, 2025, is
27 amended to read:

28 72-804 (1) Any new state building shall meet or exceed the
29 requirements of the 2018 International Energy Conservation Code published
30 by the International Code Council. For purposes of this subsection, new
31 state building does not include any building that (a) is constructed or

1 repaired using state funds received in the form of a grant from the state
2 and (b) will not be owned or managed by the state upon the completion of
3 such construction or repair.

4 (2) Any new lighting, heating, cooling, ventilating, or water
5 heating equipment or controls in a state-owned building and any new
6 building envelope components installed in a state-owned building shall
7 meet or exceed the requirements of the 2018 International Energy
8 Conservation Code.

9 (3) The State Building Administrator of the Department of
10 Administrative Services, in consultation with the Department of Water,
11 Energy, and Environment, may specify:

12 (a) A more recent edition of the International Energy Conservation
13 Code;

14 (b) Additional energy efficiency or renewable energy requirements
15 for buildings; and

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

20 **Sec. 9.** Section 72-805, Revised Statutes Supplement, 2025, is
21 amended to read:

22 72-805 (1) Except as provided in subsection (2) of this section
23 ~~58-712 for certain projects funded by the Affordable Housing Trust Fund,~~
24 the 2018 International Energy Conservation Code, published by the
25 International Code Council, applies to all new buildings constructed in
26 whole or in part with state funds after July 1, 2020. The Department of
27 Water, Energy, and Environment shall review building plans and
28 specifications necessary to determine whether a building will meet the
29 requirements of this subsection ~~section~~, except that the department shall
30 not be required to review building plans and specifications upon evidence
31 that the building plans and specifications have previously been reviewed

1 by a county, city, or village enforcing a local building or construction
2 code adopted pursuant to section 71-6406 if such local building or
3 construction code includes the requirements of the 2018 International
4 Energy Conservation Code. The department shall provide a copy of any
5 review to the agency receiving funding. The agency receiving the funding
6 shall verify that the building as constructed meets or exceeds the code.
7 The verification shall be provided to the department.

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

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

16 **Sec. 10.** Section 81-1232, Reissue Revised Statutes of Nebraska, is
17 amended to read:

18 81-1232 (1) The department shall use its best efforts to assure that
19 grant funds awarded to nonprofit development organizations are targeted
20 to the geographic communities or regions with the most pressing economic
21 and employment needs.

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

26 (3) The department may contract with a statewide public or private
27 nonprofit organization or a state instrumentality which shall serve as
28 agent for the department to help carry out the purposes and requirements
29 of the Rural Workforce Housing Investment Act. The department or its
30 agent may only use for expenses that portion of the funds available for
31 the workforce housing grant program through the Rural Workforce Housing

1 Investment Fund necessary to cover the actual costs of administering the
2 program, including, but not limited to, the hiring of staff.

3 **Sec. 11.** Section 81-1241, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 81-1241 (1) The department shall use its best efforts to assure that
6 any grant funds awarded to a nonprofit development organization are
7 targeted to the geographic communities or regions with the most pressing
8 housing, economic, and employment needs.

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

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

21 **Sec. 12.** Original sections 58-709, 81-1232, and 81-1241, Reissue
22 Revised Statutes of Nebraska, sections 58-201 and 58-703, Revised
23 Statutes Cumulative Supplement, 2024, and sections 58-701, 58-708,
24 72-804, and 72-805, Revised Statutes Supplement, 2025, are repealed.

25 **Sec. 13.** The following sections are outright repealed: Section
26 58-704, Reissue Revised Statutes of Nebraska, and section 58-712, Revised
27 Statutes Supplement, 2025.