

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SIXTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 86**

FINAL READING  
(SECOND)

Introduced by Wayne, 13; Vargas, 7.

Read first time January 10, 2019

Committee: Revenue

1 A BILL FOR AN ACT relating to community development; to amend sections  
2 58-707 and 77-2715.07, Reissue Revised Statutes of Nebraska, and  
3 sections 18-2101, 18-2103, 18-2115.01, 18-2117.04, 58-703, 58-708,  
4 and 58-711, Revised Statutes Cumulative Supplement, 2018; to change  
5 provisions relating to redevelopment plans for extremely blighted  
6 areas under the Community Development Law; to define and redefine  
7 terms; to require matching funds from for-profit entities, change  
8 funding decisions, and provide additional status report information  
9 from the Department of Economic Development under the Nebraska  
10 Affordable Housing Act; to provide an income tax credit for purchase  
11 of certain residential property as prescribed; to transfer funds; to  
12 harmonize provisions; and to repeal the original sections.  
13 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 18-2101, Revised Statutes Cumulative Supplement,  
2 2018, is amended to read:

3 18-2101 Sections 18-2101 to 18-2154 and section 2 of this act shall  
4 be known and may be cited as the Community Development Law.

5 Sec. 2. (1) For any city that (a) intends to carry out a  
6 redevelopment project which will involve the construction of workforce  
7 housing in an extremely blighted area as authorized under subdivision  
8 (28)(g) of section 18-2103, (b) intends to declare an area as an  
9 extremely blighted area for purposes of funding decisions under  
10 subdivision (1)(b) of section 58-708, or (c) intends to declare an area  
11 as an extremely blighted area in order for individuals purchasing  
12 residences in such area to qualify for the income tax credit authorized  
13 in subsection (7) of section 77-2715.07, the governing body of such city  
14 shall first declare, by resolution adopted after the public hearings  
15 required under this section, such area to be an extremely blighted area.

16 (2) Prior to making such declaration, the governing body of the city  
17 shall conduct or cause to be conducted a study or an analysis on whether  
18 the area is extremely blighted and shall submit the question of whether  
19 such area is extremely blighted to the planning commission or board of  
20 the city for its review and recommendation. The planning commission or  
21 board shall hold a public hearing on the question after giving notice of  
22 the hearing as provided in section 18-2115.01. Such notice shall include  
23 a map of sufficient size to show the area to be declared extremely  
24 blighted or information on where to find such map and shall provide  
25 information on where to find copies of the study or analysis conducted  
26 pursuant to this subsection. The planning commission or board shall  
27 submit its written recommendations to the governing body of the city  
28 within thirty days after the public hearing.

29 (3) Upon receipt of the recommendations of the planning commission  
30 or board, or if no recommendations are received within thirty days after  
31 the public hearing required under subsection (2) of this section, the

1 governing body shall hold a public hearing on the question of whether the  
2 area is extremely blighted after giving notice of the hearing as provided  
3 in section 18-2115.01. Such notice shall include a map of sufficient size  
4 to show the area to be declared extremely blighted or information on  
5 where to find such map and shall provide information on where to find  
6 copies of the study or analysis conducted pursuant to subsection (2) of  
7 this section. At the public hearing, all interested parties shall be  
8 afforded a reasonable opportunity to express their views respecting the  
9 proposed declaration. After such hearing, the governing body of the city  
10 may make its declaration.

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

15 (5) The study or analysis required under subsection (2) of this  
16 section may be conducted in conjunction with the study or analysis  
17 required under section 18-2109. The hearings required under this section  
18 may be held in conjunction with the hearings required under section  
19 18-2109.

20 Sec. 3. Section 18-2103, Revised Statutes Cumulative Supplement,  
21 2018, is amended to read:

22 18-2103 For purposes of the Community Development Law, unless the  
23 context otherwise requires:

24 (1) Area of operation means and includes the area within the  
25 corporate limits of the city and such land outside the city as may come  
26 within the purview of sections 18-2123 and 18-2123.01;

27 (2) Authority means any community redevelopment authority created  
28 pursuant to section 18-2102.01 and a city or village which has created a  
29 community development agency pursuant to the provisions of section  
30 18-2101.01 and does not include a limited community redevelopment  
31 authority;

1           (3) Blighted area means an area (a) which, by reason of the presence  
2 of a substantial number of deteriorated or deteriorating structures,  
3 existence of defective or inadequate street layout, faulty lot layout in  
4 relation to size, adequacy, accessibility, or usefulness, insanitary or  
5 unsafe conditions, deterioration of site or other improvements, diversity  
6 of ownership, tax or special assessment delinquency exceeding the fair  
7 value of the land, defective or unusual conditions of title, improper  
8 subdivision or obsolete platting, or the existence of conditions which  
9 endanger life or property by fire and other causes, or any combination of  
10 such factors, substantially impairs or arrests the sound growth of the  
11 community, retards the provision of housing accommodations, or  
12 constitutes an economic or social liability and is detrimental to the  
13 public health, safety, morals, or welfare in its present condition and  
14 use and (b) in which there is at least one of the following conditions:  
15 (i) Unemployment in the designated area is at least one hundred twenty  
16 percent of the state or national average; (ii) the average age of the  
17 residential or commercial units in the area is at least forty years;  
18 (iii) more than half of the plotted and subdivided property in an area is  
19 unimproved land that has been within the city for forty years and has  
20 remained unimproved during that time; (iv) the per capita income of the  
21 area is lower than the average per capita income of the city or village  
22 in which the area is designated; or (v) the area has had either stable or  
23 decreasing population based on the last two decennial censuses. In no  
24 event shall a city of the metropolitan, primary, or first class designate  
25 more than thirty-five percent of the city as blighted, a city of the  
26 second class shall not designate an area larger than fifty percent of the  
27 city as blighted, and a village shall not designate an area larger than  
28 one hundred percent of the village as blighted. A redevelopment project  
29 involving a formerly used defense site as authorized under section  
30 18-2123.01 shall not count towards the percentage limitations contained  
31 in this subdivision;

1 (4) Bonds means any bonds, including refunding bonds, notes, interim  
2 certificates, debentures, or other obligations issued pursuant to the  
3 Community Development Law except for bonds issued pursuant to section  
4 18-2142.04;

5 (5) Business means any private business located in an enhanced  
6 employment area;

7 (6) City means any city or incorporated village in the state;

8 (7) Clerk means the clerk of the city or village;

9 (8) Community redevelopment area means a substandard and blighted  
10 area which the community redevelopment authority designates as  
11 appropriate for a renewal project;

12 (9) Employee means a person employed at a business as a result of a  
13 redevelopment project;

14 (10) Employer-provided health benefit means any item paid for by the  
15 employer in total or in part that aids in the cost of health care  
16 services, including, but not limited to, health insurance, health savings  
17 accounts, and employer reimbursement of health care costs;

18 (11) Enhanced employment area means an area not exceeding six  
19 hundred acres (a) within a community redevelopment area which is  
20 designated by an authority as eligible for the imposition of an  
21 occupation tax or (b) not within a community redevelopment area as may be  
22 designated under section 18-2142.04;

23 (12) Equivalent employees means the number of employees computed by  
24 (a) dividing the total hours to be paid in a year by (b) the product of  
25 forty times the number of weeks in a year;

26 (13) Extremely blighted area means a substandard and blighted area  
27 in which: (a) The average rate of unemployment in the area during the  
28 period covered by the most recent federal decennial census or American  
29 Community Survey 5-Year Estimate is at least two hundred percent of the  
30 average rate of unemployment in the state during the same period; and (b)  
31 the average poverty rate in the area exceeds twenty percent for the total

1 federal census tract or tracts or federal census block group or block  
2 groups in the area;

3 (14) Federal government means the United States of America, or any  
4 agency or instrumentality, corporate or otherwise, of the United States  
5 of America;

6 (15) Governing body or local governing body means the city council,  
7 board of trustees, or other legislative body charged with governing the  
8 municipality;

9 (16) Limited community redevelopment authority means a community  
10 redevelopment authority created pursuant to section 18-2102.01 having  
11 only one single specific limited pilot project authorized;

12 (17) Mayor means the mayor of the city or chairperson of the board  
13 of trustees of the village;

14 (18) New investment means the value of improvements to real estate  
15 made in an enhanced employment area by a developer or a business;

16 (19) Number of new employees means the number of equivalent  
17 employees that are employed at a business as a result of the  
18 redevelopment project during a year that are in excess of the number of  
19 equivalent employees during the year immediately prior to the year that a  
20 redevelopment plan is adopted;

21 (20) Obligee means any bondholder, agent, or trustee for any  
22 bondholder, or lessor demising to any authority, established pursuant to  
23 section 18-2102.01, property used in connection with a redevelopment  
24 project, or any assignee or assignees of such lessor's interest or any  
25 part thereof, and the federal government when it is a party to any  
26 contract with such authority;

27 (21) Occupation tax means a tax imposed under section 18-2142.02;

28 (22) Person means any individual, firm, partnership, limited  
29 liability company, corporation, company, association, joint-stock  
30 association, or body politic and includes any trustee, receiver,  
31 assignee, or other similar representative thereof;

1           (23) Public body means the state or any municipality, county,  
2 township, board, commission, authority, district, or other political  
3 subdivision or public body of the state;

4           (24) Real property means all lands, including improvements and  
5 fixtures thereon, and property of any nature appurtenant thereto, or used  
6 in connection therewith, and every estate, interest and right, legal or  
7 equitable, therein, including terms for years and liens by way of  
8 judgment, mortgage, or otherwise, and the indebtedness secured by such  
9 liens;

10          (25) Redeveloper means any person, partnership, or public or private  
11 corporation or agency which enters or proposes to enter into a  
12 redevelopment contract;

13          (26) Redevelopment contract means a contract entered into between an  
14 authority and a redeveloper for the redevelopment of an area in  
15 conformity with a redevelopment plan;

16          (27) Redevelopment plan means a plan, as it exists from time to time  
17 for one or more community redevelopment areas, or for a redevelopment  
18 project, which (a) conforms to the general plan for the municipality as a  
19 whole and (b) is sufficiently complete to indicate such land acquisition,  
20 demolition and removal of structures, redevelopment, improvements, and  
21 rehabilitation as may be proposed to be carried out in the community  
22 redevelopment area, zoning and planning changes, if any, land uses,  
23 maximum densities, and building requirements;

24          (28) Redevelopment project means any work or undertaking in one or  
25 more community redevelopment areas: (a) To acquire substandard and  
26 blighted areas or portions thereof, including lands, structures, or  
27 improvements the acquisition of which is necessary or incidental to the  
28 proper clearance, development, or redevelopment of such substandard and  
29 blighted areas; (b) to clear any such areas by demolition or removal of  
30 existing buildings, structures, streets, utilities, or other improvements  
31 thereon and to install, construct, or reconstruct streets, utilities,

1 parks, playgrounds, public spaces, public parking facilities, sidewalks  
2 or moving sidewalks, convention and civic centers, bus stop shelters,  
3 lighting, benches or other similar furniture, trash receptacles,  
4 shelters, skywalks and pedestrian and vehicular overpasses and  
5 underpasses, enhancements to structures in the redevelopment plan area  
6 which exceed minimum building and design standards in the community and  
7 prevent the recurrence of substandard and blighted conditions, and any  
8 other necessary public improvements essential to the preparation of sites  
9 for uses in accordance with a redevelopment plan; (c) to sell, lease, or  
10 otherwise make available land in such areas for residential,  
11 recreational, commercial, industrial, or other uses, including parking or  
12 other facilities functionally related or subordinate to such uses, or for  
13 public use or to retain such land for public use, in accordance with a  
14 redevelopment plan; and may also include the preparation of the  
15 redevelopment plan, the planning, survey, and other work incident to a  
16 redevelopment project and the preparation of all plans and arrangements  
17 for carrying out a redevelopment project; (d) to dispose of all real and  
18 personal property or any interest in such property, or assets, cash, or  
19 other funds held or used in connection with residential, recreational,  
20 commercial, industrial, or other uses, including parking or other  
21 facilities functionally related or subordinate to such uses, or any  
22 public use specified in a redevelopment plan or project, except that such  
23 disposition shall be at its fair value for uses in accordance with the  
24 redevelopment plan; (e) to acquire real property in a community  
25 redevelopment area which, under the redevelopment plan, is to be repaired  
26 or rehabilitated for dwelling use or related facilities, repair or  
27 rehabilitate the structures, and resell the property; (f) to carry out  
28 plans for a program of voluntary or compulsory repair, rehabilitation, or  
29 demolition of buildings in accordance with the redevelopment plan; and  
30 (g) in a rural community or in an extremely blighted area within a  
31 municipality that is not a rural community, to carry out construction of



1 workforce housing;

2 (29) Redevelopment project valuation means the valuation for  
3 assessment of the taxable real property in a redevelopment project last  
4 certified for the year prior to the effective date of the provision  
5 authorized in section 18-2147;

6 (30) Rural community means any municipality in a county with a  
7 population of fewer than one hundred thousand inhabitants as determined  
8 by the most recent federal decennial census;

9 (31) Substandard area means an area in which there is a predominance  
10 of buildings or improvements, whether nonresidential or residential in  
11 character, which, by reason of dilapidation, deterioration, age or  
12 obsolescence, inadequate provision for ventilation, light, air,  
13 sanitation, or open spaces, high density of population and overcrowding,  
14 or the existence of conditions which endanger life or property by fire  
15 and other causes, or any combination of such factors, is conducive to ill  
16 health, transmission of disease, infant mortality, juvenile delinquency,  
17 and crime, (which cannot be remedied through construction of prisons),  
18 and is detrimental to the public health, safety, morals, or welfare; and

19 (32) Workforce housing means:

20 (a) Housing that meets the needs of today's working families;

21 (b) Housing that is attractive to new residents considering  
22 relocation to a rural community;

23 (c) Owner-occupied housing units that cost not more than two hundred  
24 seventy-five thousand dollars to construct or rental housing units that  
25 cost not more than two hundred thousand dollars per unit to construct.  
26 For purposes of this subdivision (c), housing unit costs shall be updated  
27 annually by the Department of Economic Development based upon the most  
28 recent increase or decrease in the Producer Price Index for all  
29 commodities, published by the United States Department of Labor, Bureau  
30 of Labor Statistics;

31 (d) Owner-occupied and rental housing units for which the cost to

1 substantially rehabilitate exceeds fifty percent of a unit's assessed  
2 value; and

3 (e) Upper-story housing.

4 Sec. 4. Section 18-2115.01, Revised Statutes Cumulative Supplement,  
5 2018, is amended to read:

6 18-2115.01 (1) Public notice of any hearing required under section  
7 18-2109 or 18-2115 or section 2 of this act shall be given by publication  
8 at least once a week for two consecutive weeks in a legal newspaper in or  
9 of general circulation in the community. The time of the hearing shall be  
10 at least ten days from the last publication.

11 (2)(a) Notice of any hearing required under section 18-2109 or  
12 18-2115 or section 2 of this act shall be given to neighborhood  
13 associations that have registered under subsection (5) of this section as  
14 follows:

15 (i) For a hearing under section 18-2109, notice shall be given to  
16 each registered neighborhood association whose area of representation is  
17 located in whole or in part within a one-mile radius of the area to be  
18 declared substandard and blighted; ~~and~~

19 (ii) For a hearing under section 2 of this act, notice shall be  
20 given to each registered neighborhood association whose area of  
21 representation is located in whole or in part within a one-mile radius of  
22 the area to be declared extremely blighted; and

23 (iii) (ii) For a hearing under section 18-2115, notice shall be  
24 given to each registered neighborhood association whose area of  
25 representation is located in whole or in part within a one-mile radius of  
26 the area to be redeveloped.

27 (b) Notice under this subsection shall be given at least ten days  
28 prior to the hearing in the manner requested by the neighborhood  
29 association. The notice shall be deemed given on the date it is sent.

30 (3)(a) Notice of any hearing required under section 18-2109 or  
31 18-2115 or section 2 of this act shall be given to political subdivisions

1 as follows:

2 (i) For a hearing under section 18-2109, notice shall be given to  
3 the president or chairperson of the governing body of each county, school  
4 district, community college area, educational service unit, and natural  
5 resources district in which the real property to be declared substandard  
6 and blighted is located;~~and~~

7 (ii) For a hearing under section 2 of this act, notice shall be  
8 given to the president or chairperson of the governing body of each  
9 county, school district, community college area, educational service  
10 unit, and natural resources district in which the real property to be  
11 declared extremely blighted is located; and

12 (iii) ~~(ii)~~ For a hearing under section 18-2115, notice shall be  
13 given to the president or chairperson of the governing body of each  
14 county, school district, community college area, educational service  
15 unit, and natural resources district in which the real property subject  
16 to the redevelopment plan or substantial modification thereof is located.

17 (b) Notice under this subsection shall be given at least ten days  
18 prior to the hearing by certified mail, return receipt requested. The  
19 notice shall be deemed given on the date it is mailed by certified mail.

20 (4) All notices given under this section shall describe the time,  
21 date, place, and purpose of the hearing.

22 (5) Each neighborhood association desiring to receive notice of any  
23 hearing required under section 18-2109 or 18-2115 or section 2 of this  
24 act shall register with the city's planning department or, if there is no  
25 planning department, with the city clerk. The registration shall include  
26 a description of the area of representation of the association, the name  
27 of and contact information for the individual designated by the  
28 association to receive the notice on its behalf, and the requested manner  
29 of service, whether by email, first-class mail, or certified mail.  
30 Registration of the neighborhood association for purposes of this section  
31 shall be accomplished in accordance with such other rules and regulations

1 as may be adopted and promulgated by the city.

2 Sec. 5. Section 18-2117.04, Revised Statutes Cumulative Supplement,  
3 2018, is amended to read:

4 18-2117.04 (1) On and after October 1, 2018, each city that has  
5 approved one or more redevelopment plans or redevelopment projects that  
6 are financed in whole or in part through the division of taxes as  
7 provided in section 18-2147 shall retain copies of (a) all such  
8 redevelopment plans and (b) all supporting documents associated with the  
9 redevelopment plans or redevelopment projects, ~~and~~ with any related  
10 substandard and blighted declaration under section 18-2109, and with any  
11 related extremely blighted declaration under section 2 of this act that  
12 are received or generated by the city.

13 (2) The city shall retain the redevelopment plans and supporting  
14 documents described in subsection (1) of this section for the period of  
15 time required under any applicable records retention schedule adopted  
16 under the Records Management Act or for three years following the end of  
17 the last fiscal year in which ad valorem taxes are divided, whichever  
18 period is longer.

19 (3) For purposes of this section, supporting document includes any  
20 substandard and blighted study or analysis conducted pursuant to section  
21 18-2109, any extremely blighted study or analysis conducted pursuant to  
22 section 2 of this act, any cost-benefit analysis conducted pursuant to  
23 section 18-2113, and any invoice, receipt, claim, or contract received or  
24 generated by the city that provides support for receipts or payments  
25 associated with the redevelopment plan or redevelopment project.

26 Sec. 6. Section 58-703, Revised Statutes Cumulative Supplement,  
27 2018, is amended to read:

28 58-703 The Affordable Housing Trust Fund is created. The fund shall  
29 receive money pursuant to section 76-903 and may include revenue from  
30 sources recommended by the housing advisory committee established in  
31 section 58-704, appropriations from the Legislature, transfers authorized

1 by the Legislature, grants, private contributions, repayment of loans,  
2 and all other sources. The Department of Economic Development as part of  
3 its comprehensive housing affordability strategy shall administer the  
4 Affordable Housing Trust Fund.

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

10 The State Treasurer shall transfer fifty-eight thousand one hundred  
11 eighty-eight dollars from the Affordable Housing Trust Fund to the  
12 General Fund on or before September 15, 2019, on such date as directed by  
13 the budget administrator of the budget division of the Department of  
14 Administrative Services.

15 Sec. 7. Section 58-707, Reissue Revised Statutes of Nebraska, is  
16 amended to read:

17 58-707 Organizations which may receive assistance under the Nebraska  
18 Affordable Housing Act are governmental subdivisions, local housing  
19 authorities, community action agencies, community-based or neighborhood-  
20 based or reservation-based nonprofit organizations, and for-profit  
21 entities working in conjunction with one of the other eligible  
22 organizations. For-profit entities that are eligible under this section  
23 and shall be required to provide, or cause to be provided, matching funds  
24 for the eligible activity in an amount determined by the Department of  
25 Economic Development, which amount shall be at least equal to ten percent  
26 of the amount of assistance provided by the Affordable Housing Trust  
27 Fund. Political subdivisions, local housing authorities, community action  
28 agencies, and community-based, neighborhood-based, and reservation-based  
29 nonprofit organizations shall not be required to provide, or cause to be  
30 provided, such matching funds. Nothing in the act shall be construed to  
31 allow individuals to receive direct loans from the Affordable Housing

1 Trust Fund.

2 Sec. 8. Section 58-708, Revised Statutes Cumulative Supplement,  
3 2018, is amended to read:

4 58-708 (1) During each calendar year in which funds are available  
5 from the Affordable Housing Trust Fund for use by the Department of  
6 Economic Development, the department shall make its best efforts to  
7 allocate not less than thirty percent of such funds to each congressional  
8 district. The department shall announce a grant and loan application  
9 period of at least ninety days duration for all projects. In selecting  
10 projects to receive trust fund assistance, the department shall develop a  
11 qualified allocation plan and give first priority to financially viable  
12 projects that serve the lowest income occupants for the longest period of  
13 time. The qualified allocation plan shall:

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

20 (b) Give first priority in allocating trust fund assistance among  
21 selected projects to those projects which are located in whole or in part  
22 within an enterprise zone designated pursuant to the Enterprise Zone Act,  
23 serve the lowest income occupant, are located in an area that has been  
24 declared an extremely blighted area under section 2 of this act, and are  
25 obligated to serve qualified occupants for the longest period of time.

26 (2) The department shall fund in order of priority as many  
27 applications as will utilize available funds less actual administrative  
28 costs of the department in administering the program. In administering  
29 the program the department may contract for services or directly provide  
30 funds to other governmental entities or instrumentalities.

31 (3) The department may recapture any funds which were allocated to a

1 qualified recipient for an eligible project through an award agreement if  
2 such funds were not utilized for eligible costs within the time of  
3 performance under the agreement and are therefor no longer obligated to  
4 the project. The recaptured funds shall be credited to the Affordable  
5 Housing Trust Fund.

6 Sec. 9. Section 58-711, Revised Statutes Cumulative Supplement,  
7 2018, is amended to read:

8 58-711 (1) The Department of Economic Development shall submit, as  
9 part of the department's annual status report under section 81-1201.11,  
10 the following information regarding detailing the status of the  
11 Affordable Housing Trust Fund: (a) - The status report shall list (1) the  
12 applications funded during the previous calendar year; (b) ,-(2) the  
13 applications funded in previous years; (c) ,-(3) the identity of the  
14 organizations receiving funds; (d) ,-(4) the location of each project;  
15 (e) ,-(5) the amount of funding provided to each the project; (f) ,-(6)  
16 the amount of funding leveraged as a result of each the project; (g) ,  
17 -(7) the number of units of housing created by each the project and the  
18 occupancy rate; (h) ,-(8) the expected cost of rent or monthly payment of  
19 those units; (i) ,-(9) the projected number of new employees and  
20 community investment as a result of each the project; (j) ,-(10) the  
21 amount of revenue deposited into the Affordable Housing Trust Fund  
22 pursuant to section 76-903; (k) the total amount of funds for which  
23 applications were received during the previous calendar year, the year-  
24 end fund balance, and, if all available funds have not been committed, an  
25 explanation of the reasons why all such funds have not been so committed;  
26 (l) the amount of appropriated funds actually expended by the department  
27 for the previous calendar year; (m) the department's current budget for  
28 administration of the Nebraska Affordable Housing Act and the  
29 department's planned use and distribution of funds, including details on  
30 the amount of funds to be expended on projects and the amount of funds to  
31 be expended by the department for administrative purposes; and (n)

1 project summaries, including the applicant municipality, project  
2 description, grant amount requested, amount and type of matching funds,  
3 and reasons for approval or denial for every application seeking funds  
4 during the previous calendar year.

5 (2) The status report shall contain no information that is protected  
6 by state or federal confidentiality laws.

7 Sec. 10. Section 77-2715.07, Reissue Revised Statutes of Nebraska,  
8 is amended to read:

9 77-2715.07 (1) There shall be allowed to qualified resident  
10 individuals as a nonrefundable credit against the income tax imposed by  
11 the Nebraska Revenue Act of 1967:

12 (a) A credit equal to the federal credit allowed under section 22 of  
13 the Internal Revenue Code; and

14 (b) A credit for taxes paid to another state as provided in section  
15 77-2730.

16 (2) There shall be allowed to qualified resident individuals against  
17 the income tax imposed by the Nebraska Revenue Act of 1967:

18 (a) For returns filed reporting federal adjusted gross incomes of  
19 greater than twenty-nine thousand dollars, a nonrefundable credit equal  
20 to twenty-five percent of the federal credit allowed under section 21 of  
21 the Internal Revenue Code of 1986, as amended, except that for taxable  
22 years beginning or deemed to begin on or after January 1, 2015, such  
23 nonrefundable credit shall be allowed only if the individual would have  
24 received the federal credit allowed under section 21 of the code after  
25 adding back in any carryforward of a net operating loss that was deducted  
26 pursuant to such section in determining eligibility for the federal  
27 credit;

28 (b) For returns filed reporting federal adjusted gross income of  
29 twenty-nine thousand dollars or less, a refundable credit equal to a  
30 percentage of the federal credit allowable under section 21 of the  
31 Internal Revenue Code of 1986, as amended, whether or not the federal



1 credit was limited by the federal tax liability. The percentage of the  
2 federal credit shall be one hundred percent for incomes not greater than  
3 twenty-two thousand dollars, and the percentage shall be reduced by ten  
4 percent for each one thousand dollars, or fraction thereof, by which the  
5 reported federal adjusted gross income exceeds twenty-two thousand  
6 dollars, except that for taxable years beginning or deemed to begin on or  
7 after January 1, 2015, such refundable credit shall be allowed only if  
8 the individual would have received the federal credit allowed under  
9 section 21 of the code after adding back in any carryforward of a net  
10 operating loss that was deducted pursuant to such section in determining  
11 eligibility for the federal credit;

12 (c) A refundable credit as provided in section 77-5209.01 for  
13 individuals who qualify for an income tax credit as a qualified beginning  
14 farmer or livestock producer under the Beginning Farmer Tax Credit Act  
15 for all taxable years beginning or deemed to begin on or after January 1,  
16 2006, under the Internal Revenue Code of 1986, as amended;

17 (d) A refundable credit for individuals who qualify for an income  
18 tax credit under the Angel Investment Tax Credit Act, the Nebraska  
19 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research  
20 and Development Act, or the Volunteer Emergency Responders Incentive Act;  
21 and

22 (e) A refundable credit equal to ten percent of the federal credit  
23 allowed under section 32 of the Internal Revenue Code of 1986, as  
24 amended, except that for taxable years beginning or deemed to begin on or  
25 after January 1, 2015, such refundable credit shall be allowed only if  
26 the individual would have received the federal credit allowed under  
27 section 32 of the code after adding back in any carryforward of a net  
28 operating loss that was deducted pursuant to such section in determining  
29 eligibility for the federal credit.

30 (3) There shall be allowed to all individuals as a nonrefundable  
31 credit against the income tax imposed by the Nebraska Revenue Act of

1 1967:

2 (a) A credit for personal exemptions allowed under section  
3 77-2716.01;

4 (b) A credit for contributions to certified community betterment  
5 programs as provided in the Community Development Assistance Act. Each  
6 partner, each shareholder of an electing subchapter S corporation, each  
7 beneficiary of an estate or trust, or each member of a limited liability  
8 company shall report his or her share of the credit in the same manner  
9 and proportion as he or she reports the partnership, subchapter S  
10 corporation, estate, trust, or limited liability company income;

11 (c) A credit for investment in a biodiesel facility as provided in  
12 section 77-27,236;

13 (d) A credit as provided in the New Markets Job Growth Investment  
14 Act;

15 (e) A credit as provided in the Nebraska Job Creation and Mainstreet  
16 Revitalization Act;

17 (f) A credit to employers as provided in section 77-27,238; and

18 (g) A credit as provided in the Affordable Housing Tax Credit Act.

19 (4) There shall be allowed as a credit against the income tax  
20 imposed by the Nebraska Revenue Act of 1967:

21 (a) A credit to all resident estates and trusts for taxes paid to  
22 another state as provided in section 77-2730;

23 (b) A credit to all estates and trusts for contributions to  
24 certified community betterment programs as provided in the Community  
25 Development Assistance Act; and

26 (c) A refundable credit for individuals who qualify for an income  
27 tax credit as an owner of agricultural assets under the Beginning Farmer  
28 Tax Credit Act for all taxable years beginning or deemed to begin on or  
29 after January 1, 2009, under the Internal Revenue Code of 1986, as  
30 amended. The credit allowed for each partner, shareholder, member, or  
31 beneficiary of a partnership, corporation, limited liability company, or

1 estate or trust qualifying for an income tax credit as an owner of  
2 agricultural assets under the Beginning Farmer Tax Credit Act shall be  
3 equal to the partner's, shareholder's, member's, or beneficiary's portion  
4 of the amount of tax credit distributed pursuant to subsection (4) of  
5 section 77-5211.

6 (5)(a) For all taxable years beginning on or after January 1, 2007,  
7 and before January 1, 2009, under the Internal Revenue Code of 1986, as  
8 amended, there shall be allowed to each partner, shareholder, member, or  
9 beneficiary of a partnership, subchapter S corporation, limited liability  
10 company, or estate or trust a nonrefundable credit against the income tax  
11 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the  
12 partner's, shareholder's, member's, or beneficiary's portion of the  
13 amount of franchise tax paid to the state under sections 77-3801 to  
14 77-3807 by a financial institution.

15 (b) For all taxable years beginning on or after January 1, 2009,  
16 under the Internal Revenue Code of 1986, as amended, there shall be  
17 allowed to each partner, shareholder, member, or beneficiary of a  
18 partnership, subchapter S corporation, limited liability company, or  
19 estate or trust a nonrefundable credit against the income tax imposed by  
20 the Nebraska Revenue Act of 1967 equal to the partner's, shareholder's,  
21 member's, or beneficiary's portion of the amount of franchise tax paid to  
22 the state under sections 77-3801 to 77-3807 by a financial institution.

23 (c) Each partner, shareholder, member, or beneficiary shall report  
24 his or her share of the credit in the same manner and proportion as he or  
25 she reports the partnership, subchapter S corporation, limited liability  
26 company, or estate or trust income. If any partner, shareholder, member,  
27 or beneficiary cannot fully utilize the credit for that year, the credit  
28 may not be carried forward or back.

29 (6) There shall be allowed to all individuals nonrefundable credits  
30 against the income tax imposed by the Nebraska Revenue Act of 1967 as  
31 provided in section 77-3604 and refundable credits against the income tax

1 imposed by the Nebraska Revenue Act of 1967 as provided in section  
2 77-3605.

3 (7)(a) For taxable years beginning or deemed to begin on or after  
4 January 1, 2020, and before January 1, 2026, under the Internal Revenue  
5 Code of 1986, as amended, a nonrefundable credit against the income tax  
6 imposed by the Nebraska Revenue Act of 1967 in the amount of five  
7 thousand dollars shall be allowed to any individual who purchases a  
8 residence during the taxable year if such residence:

9 (i) Is located within an area that has been declared an extremely  
10 blighted area under section 2 of this act;

11 (ii) Is the individual's primary residence; and

12 (iii) Was not purchased from a family member of the individual or a  
13 family member of the individual's spouse.

14 (b) The credit provided in this subsection shall be claimed for the  
15 taxable year in which the residence is purchased. If the individual  
16 cannot fully utilize the credit for such year, the credit may be carried  
17 forward to subsequent taxable years until fully utilized.

18 (c) No more than one credit may be claimed under this subsection  
19 with respect to a single residence.

20 (d) The credit provided in this subsection shall be subject to  
21 recapture by the Department of Revenue if the individual claiming the  
22 credit sells or otherwise transfers the residence or quits using the  
23 residence as his or her primary residence within five years after the end  
24 of the taxable year in which the credit was claimed.

25 (e) For purposes of this subsection, family member means an  
26 individual's spouse, child, parent, brother, sister, grandchild, or  
27 grandparent, whether by blood, marriage, or adoption.

28 Sec. 11. Original sections 58-707 and 77-2715.07, Reissue Revised  
29 Statutes of Nebraska, and sections 18-2101, 18-2103, 18-2115.01,  
30 18-2117.04, 58-703, 58-708, and 58-711, Revised Statutes Cumulative  
31 Supplement, 2018, are repealed.