

ONE HUNDRED SEVENTH LEGISLATURE - FIRST SESSION - 2021
COMMITTEE STATEMENT
LB194

Hearing Date: Thursday February 04, 2021
Committee On: Revenue
Introducer: Vargas
One Liner: Change the Nebraska Job Creation and Mainstreet Revitalization Act

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 5 Senators Albrecht, Bostar, Flood, Lindstrom, Pahls
Nay:
Absent:
Present Not Voting: 3 Senators Linehan, Briese, Friesen

Oral Testimony:

Proponents: Senator Tony Vargas Trevor James David Levy Michael Sothan	Representing: Introducer Self Nebraska Association of Commercial Property Owners, Omaha by Design Main Street Beatrice
Opponents:	Representing:
Neutral:	Representing:

Submitted Written Testimony:

Proponents: Bob Hallstrom	Representing: Nebraska Bankers Association
Opponents:	Representing:
Neutral:	Representing:

Summary of purpose and/or changes:

LB194 will make changes to the Nebraska Job Creation and Mainstreet Revitalization Act ("Act"). Changes to the definitions for this Act include the following:

- Historically significant real property will mean a building or an at-grade or above-ground structure used for any purpose.
 - The real property is individually listed in the National Register of Historic Places or is eligible for listing in the National Register of Historic Places.
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- Determined as contributing to the historical significance or economic viability of such district
- The improvement has a total cost which equals or exceeds \$5,000.
 - Current language splits the cost of the improvement to the greater of \$25,000 or 25% of the property's assessed value for metropolitan or primary class cities; and
 - For projects not in a metropolitan or primary class city to \$25,000.

The local preservation ordinance or resolution will specifically include standards and requirements regarding building exteriors.

The nonrefundable tax credit provided under the Act will be equal to 25% of the eligible expenditures for a historically significant real property project located in a county that includes a metropolitan or primary class city. For projects located in any other county, the nonrefundable tax credit will be equal to 30% of the eligible expenditures for the historically significant real property.

The total amount of credits that may be issued in any year is limited to \$15 million. The maximum credit amount allocated to any one project shall be \$2 million. Any credit that is unused may be carried forward until fully utilized.

The Nebraska State Historical Society (aka History Nebraska) and the Department of Revenue will be required to issue an annual joint report to the Revenue Committee. No deadline for issuing this report is provided in LB194.

The sunset date for the Nebraska Job Creation and Mainstreet Revitalization Act is outright repealed.

Explanation of amendments:

AM972 becomes the bill.

The amendment reduces the annual limit on the program from \$15 million to \$12 million. Of that amount, \$4 million is to be allocated to projects of less than \$100,000. No single project may receive more than \$2 million.

The amendment increases the amount of the credit to 25% of eligible expenditures in a city of the Metropolitan or Primary class and 30% of eligible expenses in all other counties. The amendment removes single-family homes from qualification under the program.

An annual report is required by December 31 of each year from the Department of Revenue and State Historical Society to the Revenue Committee. The amendment sunsets applications as of December 31, 2029. It sunsets the allocation, issuance or use of credits as of December 31, 2034.

Lou Ann Linehan, Chairperson