

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 622

Introduced by Dover, 19.

Read first time January 22, 2025

Committee: Revenue

1 A BILL FOR AN ACT relating to housing assistance; to amend sections
2 58-701, 58-705, 58-706, 58-707, 58-708, 58-711, 76-901, 76-903, and
3 77-1327, Reissue Revised Statutes of Nebraska; to provide for the
4 Statewide Housing Assistance Program under the Nebraska Affordable
5 Housing Act; to change provisions relating to the Affordable Housing
6 Trust Fund, recipients of assistance, and selection of recipients
7 under the Nebraska Affordable Housing Act; to change provisions
8 relating to the rate and disbursement of the documentary stamp tax;
9 to harmonize provisions; to provide an operative date; and to repeal
10 the original sections.

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

1 **Section 1.** Section 58-701, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 58-701 Sections 58-701 to 58-711 and section 6 of this act shall be
4 known and may be cited as the Nebraska Affordable Housing Act.

5 **Sec. 2.** Section 58-705, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 58-705 The Department of Economic Development shall use the
8 Affordable Housing Trust Fund to finance loans, grants, subsidies, credit
9 enhancements, and other financial assistance for community affordable
10 housing projects, for the Statewide Housing Assistance Program, and for
11 expenses of the department as appropriated by the Legislature for
12 administering the fund.

13 **Sec. 3.** Section 58-706, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 58-706 The following activities are eligible for assistance from the
16 Affordable Housing Trust Fund:

17 (1) New construction, rehabilitation, or acquisition of housing to
18 assist low-income and very low-income families;

19 (2) Matching funds for new construction, rehabilitation, or
20 acquisition of housing units to assist low-income and very low-income
21 families;

22 (3) Technical assistance, design and finance services, and
23 consultation for eligible nonprofit community or neighborhood-based
24 organizations involved in the creation of affordable housing;

25 (4) Matching funds for operating costs for housing assistance groups
26 or organizations when such grant or loan will substantially increase the
27 recipient's ability to produce affordable housing;

28 (5) Mortgage insurance guarantees for eligible projects;

29 (6) Acquisition of housing units for the purpose of preservation of
30 housing to assist low-income or very low-income families;

31 (7) Projects making affordable housing more accessible to families

1 with elderly members or members who have disabilities;

2 (8) Projects providing housing in areas determined by the Department
3 of Economic Development to be of critical importance for the continued
4 economic development and economic well-being of the community and where,
5 as determined by the department, a shortage of affordable housing exists;

6 (9) Infrastructure projects necessary for the development of
7 affordable housing;

8 (10) Downpayment and closing cost assistance;

9 (11) Demolition of existing vacant, condemned, or obsolete housing
10 or industrial buildings or infrastructure;

11 (12) Housing education programs developed in conjunction with
12 affordable housing projects. The education programs must be directed
13 toward:

14 (a) Preparing potential home buyers to purchase affordable housing
15 and postpurchase education;

16 (b) Target audiences eligible to utilize the services of housing
17 assistance groups or organizations; and

18 (c) Developers interested in the rehabilitation, acquisition, or
19 construction of affordable housing;

20 (13) Support for efforts to improve programs benefiting homeless
21 youth;

22 (14) Vocational training in the housing and construction trades
23 industries by nonprofit groups; and

24 (15) Weatherization and solar or other energy improvements to make
25 utilities for housing more affordable; ~~and -~~

26 (16) Downpayment assistance under the Statewide Housing Assistance
27 Program.

28 **Sec. 4.** Section 58-707, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 58-707 Organizations which may receive assistance under the Nebraska
31 Affordable Housing Act are governmental subdivisions, local housing

1 authorities, community action agencies, community-based or neighborhood-
2 based or reservation-based nonprofit organizations, and for-profit
3 entities working in conjunction with one of the other eligible
4 organizations. For-profit entities that are eligible under this section
5 shall be required to provide, or cause to be provided, matching funds for
6 the eligible activity in an amount determined by the Department of
7 Economic Development, which amount shall be at least equal to ten percent
8 of the amount of assistance provided by the Affordable Housing Trust
9 Fund. Political subdivisions, local housing authorities, community action
10 agencies, and community-based, neighborhood-based, and reservation-based
11 nonprofit organizations shall not be required to provide, or cause to be
12 provided, such matching funds. Individuals may only ~~Nothing in the act~~
13 ~~shall be construed to allow individuals to~~ receive direct loans from the
14 Affordable Housing Trust Fund as provided pursuant to the Statewide
15 Housing Assistance Program.

16 **Sec. 5.** Section 58-708, Reissue Revised Statutes of Nebraska, is
17 amended to read:

18 58-708 (1) During each calendar year in which funds are available
19 from the Affordable Housing Trust Fund for use by the Department of
20 Economic Development, the department shall make its best efforts to
21 allocate not less than thirty percent of such funds to each congressional
22 district. The department shall announce a grant and loan application
23 period of at least ninety days duration for all projects and homebuyers.
24 In selecting projects and homebuyers to receive trust fund assistance,
25 the department shall develop a qualified allocation plan and give first
26 priority to financially viable projects that serve the lowest income
27 occupants for the longest period of time and to the lowest income
28 homebuyers. The qualified allocation plan shall:

29 (a) Set forth selection criteria to be used to determine housing
30 priorities of the housing trust fund which are appropriate to local
31 conditions, including the community's immediate need for affordable

1 housing, proposed increases in home ownership, private dollars leveraged,
2 level of local government support and participation, and repayment, in
3 part or in whole, of financial assistance awarded by the fund; ~~and~~

4 (b) Give first priority in allocating trust fund assistance among
5 selected projects to those projects which are located in whole or in part
6 within an enterprise zone designated pursuant to the Enterprise Zone Act
7 or an opportunity zone designated pursuant to the federal Tax Cuts and
8 Jobs Act, Public Law 115-97, serve the lowest income occupant, are
9 located in an area that has been declared an extremely blighted area
10 under section 18-2101.02, and are obligated to serve qualified occupants
11 for the longest period of time; and -

12 (c) Give first priority in allocating trust fund assistance among
13 selected homebuyers to those homebuyers which are located within an
14 enterprise zone designated pursuant to the Enterprise Zone Act or an
15 opportunity zone designated pursuant to the federal Tax Cuts and Jobs
16 Act, Public Law 115-97, are for the lowest income homebuyers, and are
17 located in an area that has been declared an extremely blighted area
18 under section 18-2101.02.

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

24 (3) The department may recapture any funds which were allocated to a
25 qualified recipient for an eligible project through an award agreement if
26 such funds were not utilized for eligible costs within the time of
27 performance under the agreement and are therefor no longer obligated to
28 the project. The recaptured funds shall be credited to the Affordable
29 Housing Trust Fund.

30 **Sec. 6.** (1) The Statewide Housing Assistance Program is created and
31 shall be administered by a nonprofit organization contracted by the

1 Department of Economic Development.

2 (2) The program shall provide downpayment assistance for homebuyers
3 across the state.

4 (3) Any homebuyer specified in rules and regulations adopted and
5 promulgated by the department may apply for assistance under the program.

6 (4) An assistance recipient under the program shall only use the
7 assistance for a downpayment on a home that shall be occupied by such
8 assistance recipient as their primary residence.

9 (5) Downpayment assistance under the program shall be in the form of
10 a loan that shall be repaid upon transfer of title of the home such
11 assistance is used for and such home shall be subject to a lien for the
12 amount of assistance provided for such home.

13 (6) Downpayment assistance shall be limited to thirty thousand
14 dollars per homebuyer.

15 **Sec. 7.** Section 58-711, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 58-711 (1) The Department of Economic Development shall submit, as
18 part of the department's annual status report under section 81-1201.11,
19 the following information regarding the Affordable Housing Trust Fund:

20 (a) The applications funded during the previous calendar year; (b) the
21 applications funded in previous years; (c) the identity of the
22 organizations or homebuyers receiving funds; (d) the location of each
23 project or homebuyer; (e) the amount of funding provided to each project
24 or homebuyer; (f) the amount of funding leveraged as a result of each
25 project; (g) the number of units of housing created by each project and
26 the occupancy rate; (h) the expected cost of rent or monthly payment of
27 those units; (i) the projected number of new employees and community
28 investment as a result of each project; (j) the amount of revenue
29 deposited into the Affordable Housing Trust Fund pursuant to section
30 76-903; (k) the total amount of funds for which applications were
31 received during the previous calendar year, the year-end fund balance,

1 and, if all available funds have not been committed, an explanation of
2 the reasons why all such funds have not been so committed; (l) the amount
3 of appropriated funds actually expended by the department for the
4 previous calendar year; (m) the department's current budget for
5 administration of the Nebraska Affordable Housing Act and the
6 department's planned use and distribution of funds, including details on
7 the amount of funds to be expended on projects and the amount of funds to
8 be expended by the department for administrative purposes; and (n)
9 project summaries, including the applicant municipality, project
10 description, grant amount requested, amount and type of matching funds,
11 and reasons for approval or denial for every application seeking funds
12 during the previous calendar year.

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

15 **Sec. 8.** Section 76-901, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 76-901 There is hereby imposed a tax on the grantor executing the
18 deed as defined in section 76-203 upon the transfer of a beneficial
19 interest in or legal title to real estate at the rate of two dollars and
20 fifty-five ~~twenty-five~~ cents for each one thousand dollars value or
21 fraction thereof. For purposes of sections 76-901 to 76-908, value means
22 (1) in the case of any deed, not a gift, the amount of the full actual
23 consideration thereof, paid or to be paid, including the amount of any
24 lien or liens assumed, and (2) in the case of a gift or any deed with
25 nominal consideration or without stated consideration, the current market
26 value of the property transferred. Such tax shall be evidenced by stamps
27 to be attached to the deed. All deeds purporting to transfer legal title
28 or beneficial interest shall be presumed taxable unless it clearly
29 appears on the face of the deed or sufficient documentary proof is
30 presented to the register of deeds that the instrument is exempt under
31 section 76-902.

1 **Sec. 9.** Section 76-903, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 76-903 The Tax Commissioner shall design such stamps in such
4 denominations as in his or her judgment will be the most advantageous to
5 all persons concerned. When any deed subject to the tax imposed by
6 section 76-901 is offered for recordation, the register of deeds shall
7 ascertain and compute the amount of the tax due thereon and shall collect
8 such amount as a prerequisite to acceptance of the deed for recordation.
9 If a dispute arises concerning the taxability of the transfer, the
10 register of deeds shall not record the deed until the disputed tax is
11 paid. If a disputed tax has been paid, the taxpayer may file for a refund
12 pursuant to section 76-908. The taxpayer may also seek a declaratory
13 ruling pursuant to rules and regulations adopted and promulgated by the
14 Department of Revenue. From each two dollars and fifty-five ~~twenty-five~~
15 cents of tax collected pursuant to section 76-901, the register of deeds
16 shall retain fifty cents to be placed in the county general fund and
17 shall remit the balance to the State Treasurer who shall credit one
18 dollar and twenty-five ~~ninety-five~~ cents of such amount to the Affordable
19 Housing Trust Fund, twenty-five cents of such amount to the Site and
20 Building Development Fund, twenty-five cents of such amount to the
21 Homeless Shelter Assistance Trust Fund, and thirty cents of such amount
22 to the Behavioral Health Services Fund.

23 **Sec. 10.** Section 77-1327, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 77-1327 (1) It is the intent of the Legislature that accurate and
26 comprehensive information be developed by the Property Tax Administrator
27 and made accessible to the taxing officials and property owners in order
28 to ensure the uniformity and proportionality of the assessments of real
29 property valuations in the state in accordance with law and to provide
30 the statistical and narrative reports pursuant to section 77-5027.

31 (2) All transactions of real property for which the statement

1 required in section 76-214 is filed shall be available for development of
2 a sales file by the Property Tax Administrator. All transactions with
3 stated consideration of more than one hundred dollars or upon which more
4 than two dollars and fifty-five ~~twenty-five~~ cents in documentary stamp
5 taxes are paid shall be considered sales. All sales shall be deemed to be
6 arm's length transactions unless determined to be otherwise under
7 professionally accepted mass appraisal techniques. The Department of
8 Revenue shall not overturn a determination made by a county assessor
9 regarding the qualification of a sale unless the department reviews the
10 sale and determines through the review that the determination made by the
11 county assessor is incorrect.

12 (3) The Property Tax Administrator annually shall make and issue
13 comprehensive assessment ratio studies of the average level of
14 assessment, the degree of assessment uniformity, and the overall
15 compliance with assessment requirements for each major class of real
16 property subject to the property tax in each county. The comprehensive
17 assessment ratio studies shall be developed in compliance with
18 professionally accepted mass appraisal techniques and shall employ such
19 statistical analysis as deemed appropriate by the Property Tax
20 Administrator, including measures of central tendency and dispersion. The
21 comprehensive assessment ratio studies shall be based upon the sales file
22 as developed in subsection (2) of this section and shall be used by the
23 Property Tax Administrator for the analysis of the level of value and
24 quality of assessment for purposes of section 77-5027 and by the Property
25 Tax Administrator in establishing the adjusted valuations required by
26 section 79-1016. Such studies may also be used by assessing officials in
27 establishing assessed valuations.

28 (4) For purposes of determining the level of value of agricultural
29 and horticultural land subject to special valuation under sections
30 77-1343 to 77-1347.01, the Property Tax Administrator shall annually make
31 and issue a comprehensive study developed in compliance with

1 professionally accepted mass appraisal techniques to establish the level
2 of value if in his or her opinion the level of value cannot be developed
3 through the use of the comprehensive assessment ratio studies developed
4 in subsection (3) of this section.

5 (5) County assessors and other taxing officials shall electronically
6 report data on the assessed valuation and other features of the property
7 assessment process for such periods and in such form and content as the
8 Property Tax Administrator shall deem appropriate. The Property Tax
9 Administrator shall so construct and maintain the system used to collect
10 and analyze the data to enable him or her to make intracounty comparisons
11 of assessed valuation, including school districts and other political
12 subdivisions, as well as intercounty comparisons of assessed valuation,
13 including school districts and other political subdivisions. The Property
14 Tax Administrator shall include analysis of real property sales pursuant
15 to land contracts and similar transfers at the time of execution of the
16 contract or similar transfer.

17 **Sec. 11.** This act becomes operative on October 1, 2025.

18 **Sec. 12.** Original sections 58-701, 58-705, 58-706, 58-707, 58-708,
19 58-711, 76-901, 76-903, and 77-1327, Reissue Revised Statutes of
20 Nebraska, are repealed.