LB 412

Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)								
	FY 2021-22		FY 20	22-23				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE				
GENERAL FUNDS	See below		See below					
CASH FUNDS								
FEDERAL FUNDS								
OTHER FUNDS								
TOTAL FUNDS	See below		See below					

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 412 seeks to amend language related to the Nebraska Housing Agency Act. Under LB 412, housing agencies are required to provide notice of a property tax exemption to the county assessor in the county where the property is located. This must be done prior to the calendar year for which the exemption is sought. Furthermore, LB 412 amends the language of the Act, removing the phrase "wholly owned". This removal would expand the amount of housing agencies that could qualify for exemption.

LB 412 would become operative LB 412.

LB 412 would reduce the property tax base for the state, which could have a corresponding increase to the amount of TEEOSA state aid calculated for equalized school districts. This would create an increase in General Fund expenditures. There is no basis to disagree with this estimate.

The Department of Revenue estimates there will be no cost to the Department to implement LB 412. There is no basis to disagree with this estimate.

The impact to counties is expected to be minimal. The Lancaster County Assessor expects no fiscal impact to implement LB 412. There is no basis to disagree with this estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE								
LB: 412	AM:	AGENCY/POLT. SUB: Lancaster County Assess	or					
REVIEWED BY:	Lucas Martin	DATE: 01/19/2021	PHONE: (402) 471-4181					
COMMENTS: No basis to disagree with Lancaster County Assessor's assessment of no fiscal impact.								

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 412	AM:	AGENCY/POLT. SUB: Douglas	AGENCY/POLT. SUB: Douglas County Assessor				
REVIEWED BY:	Lucas Martin	DATE: 01/26/2021	DATE: 01/26/2021 PHONE: (402) 471-4181				
COMMENTS: No basis to disagree with the Douglas County Assessor Office's assessment of negative fiscal impact.							

Fiscal Note 2021

State Agency Estimate									
State Agency Name: Department of	State Agency Name: Department of Revenue				Date Due LFA:				
Approved by: Tony Fulton		Date Prepared:	2/8/2021	2021 Phone: 471-5896					
FY 2021-2022		FY 2022-2023		FY 2023-2024					
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue			
General Funds									
Cash Funds									
Federal Funds									
Other Funds									
Total Funds									

LB 412 amends Neb. Rev. Stat. § 71-1590 to eliminate the requirement that an affiliate of a local housing agency that is controlled by the agency be wholly owned by the agency in order to be exempt from taxation.

The real and personal property of an affiliate of a local housing agency that is controlled by the agency and that is used for the administrative offices of the affiliate or to provide housing for eligible tenants, and any appurtenances related to such housing is totally exempt from all taxes and special assessments of any city, any county, the state, or any public agency as opposed to limiting the exemption to the extent of ownership currently.

Any housing agency or controlled affiliate is required to provide notice of the exemption to the local county assessor on or before December 31 of the year preceding the year for which exemption is first sought.

This bill may reduce taxable values in the state and may have a reciprocal effect on equalization aid distributed under TEEOSA.

It is estimated that there will be no cost to the Department to implement this bill.

The operative date for this bill is 3 months after adjournment.

Major Objects of Expenditure								
Class Code	Classification Title	21-22 <u>FTE</u>	22-23 <u>FTE</u>	23-24 <u>FTE</u>	21-22 <u>Expenditures</u>	22-23 Expenditures	23-24 <u>Expenditures</u>	
Benefits								
Operating Costs								
	nts							

Please complete <u>ALL</u> (5) blanks in the first three lines.

LB ⁽¹⁾ 412					FISCAL NOTE
State Agency OR Political Subdivision Name: ⁽²⁾ Prepared by: ⁽³⁾ Scott Gaines		Lancaster County)		
		Date Prepared: ⁽⁴⁾ 1/15/21		Phone: (5)	402-441-6580
]	ESTIMATE PROVID	ED BY STATE AGENO	Y OR POLITICA	L SUBDIVISIO	DN
FYS		2021-22		FY 2022	-23
	EXPENDITURES	REVENUE	<u>EXPENDI</u>		REVENUE
GENERAL FUNDS					
CASH FUNDS					
FEDERAL FUNDS					
OTHER FUNDS					
TOTAL FUNDS					
Explanation of Estimate	:				

No fiscal impact to the Lancaster County Assessor's Office.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE							
Personal Services:							
POSITION TITLE	NUMBER OF POSITIONS <u>21-22</u> <u>22-23</u>		2021-22 <u>EXPENDITURES</u>	2022-23 <u>EXPENDITURES</u>			
Benefits							
Operating							
Travel							
Capital outlay							
Aid Capital improvements							
TOTAL							
	•						

Please complete <u>ALL</u> (5) blanks in the first three lines.

LB ⁽¹⁾ 412				FISCAL NOTE			
State Agency OR I	Political Subdivision Name: (2)	Douglas County Assessor/Register of Deeds Office					
Prepared by: ⁽³⁾ Michael Goodwillie, Compliance Officer, Douglas County Assessor/Register of Deec Office		Date Prepared: ⁽⁴⁾	1/13/2021 Pho	one: (5) (402) 444-6703			
	ESTIMATE PROVI	DED BY STATE AGENO	<u>CY OR POLITICAL SUBD</u>	IVISION			
	FY	2021-22	FY	{ 2022-23			
EXPENDITURES			EXPENDITURES	REVENUE			
GENERAL FUN	DS 0	-\$58,500	0	-\$58,500			
CASH FUNDS							
FEDERAL FUNI	DS						
OTHER FUNDS							
TOTAL FUNDS		-\$58,500		-\$58,500			

Explanation of Estimate: LB 412 would exempt from property taxation low-income housing that is not owned by a housing authority or its wholly controlled affiliate but is instead in joint ownership with nongovernmental persons or entities. Currently, Omaha Housing Authority, through an affiliate, forms partnerships with private developers and investors to build Low-Income Housing Tax Credit (LIHTC) properties. The housing authority affiliate manages the property but it is owned 99.99% by the private investors. Currently, these properties do not qualify for exemption under the Nebraska Housing Agency Act and do not appear to qualify for exemption as either a governmentally-owned property or as a religious, educational, charitable, or cemetery property.

If the properties became tax-exempt, the chief fiscal impact would be a loss of tax revenue. Currently, such properties are taxable although with a statutorily mandated valuation methodology that treats these properties quite favorably compared to nonLIHTC housing for poor or moderate income people. For 2020, for example, in Douglas County there were 54 such properties, with a total taxable value of \$2,735,300. That value generated approximately \$58,500 in property taxes, split among the political subdivisions levying property taxes on these particular properties. The property tax revenues in the Omaha Public School District geographical boundaries are currently split this way: OPS 55%, City of Omaha 21%, and Douglas County 13% and any tax loss would be apportioned accordingly.

In terms of the Assessor/Register of Deeds Office, LB 412 would not directly affect either its budget or staffing.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE								
Personal Services:								
	NUMBER OF	POSITIONS	2021-22	2022-23				
POSITION TITLE	21-22	22-23	EXPENDITURES	EXPENDITURES				
	·							
	·							
Benefits								
Operating								
Travel								
Capital outlay								

2021

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