

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$97,030		\$118,110	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$97,030		\$118,110	

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

LB288 amends Middle Income Workforce Housing Investment Fund to allow for rent-to-own housing to be eligible for grants under the fund, expands the definition of workforce housing to be housing that costs no more than \$350,000 to construct from \$330,000 to construct, amends the definition of rehabilitation costs under the act, and amends the housing study requirements by political subdivisions to qualify for funding under the act.

LB288 may change distribution of grants under the act. No basis to disagree with additional administration needed resulting from needing to monitor rent-to-own buildings.

Technical note: While the Middle Income Workforce Housing Investment Fund has sufficient balance to support this additional administration, 81-1239 states, "Beginning July 1, 2029, any funds held by the department in the Middle Income Workforce Housing Investment Fund shall be transferred to the General Fund". This may require general fund appropriations after the transfer date in order to monitor the various rent-to-own awards, the timing and amount of which are unknown.

Please complete ALL (5) blanks in the first three lines.

2025

LB⁽¹⁾ 288-Revised

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Economic Development

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	\$97,030		\$118,110	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$97,030</u>		<u>\$118,110</u>	

Explanation of Estimate:

LB288 proposes to add rent-to-own housing to the types of projects eligible for assistance under the Middle Income Workforce Housing Investment Act (MIWH) and would change some definitions of workforce housing in the Act. The proposed changes include: (1) upper-story housing development would no longer have to be developed for occupation by a homeowner; (2) the cost of construction of workforce housing is increased to \$350,000; (3) the limits on the appraised value of substantially rehabilitated housing are removed; and (4) rent-to-own housing projects may not exceed ten units.

The addition of rent-to-own housing to the MIWH program will require more management for both DED and the program recipients. The department believes that these additional complications will require additional training for recipients and program monitoring. Given that the MIWH program is currently set to expire on June 30, 2029, allowing rent-to-own housing to the program will extend the requirement for monitoring well beyond the end date for the program. These complications will require the services of an Economic Development Business Consultant II to provide additional education and monitoring for the program.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
A49012 Econ Dev. Bus. Consultant II	0.75	1.00	\$49,890	\$66,520
Benefits.....			17,460	23,280
Operating.....			16,090	21,320
Travel.....			4,990	6,990
Capital outlay.....			8,600	0
Aid.....				
Capital improvements.....				
TOTAL.....			<u>\$97,030</u>	<u>\$118,110</u>