Doug Gibbs February 10, 2015 402-471-0051

LB 210

Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)										
	FY 201	5-16	FY 20	16-17						
	EXPENDITURES	REVENUE	EXPENDITURES REVENUE							
GENERAL FUNDS										
CASH FUNDS										
FEDERAL FUNDS										
OTHER FUNDS										
TOTAL FUNDS										

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

LB 210 amends the Nebraska Housing Agency Act.

The bill amends Section 71-1575 to define a market-rate unit as a dwelling unit in a mixed-income development that is not designated for occupancy only by persons who meet income eligibility guidelines and is not available at reduced rent to persons of eligible income.

A mixed-income development is a housing development intended to be occupied by persons of eligible income and by other persons and if such other persons are living in the development their income at initial occupancy is not to exceed 100% of the median income in the county in which the development is located.

Section 71-1590 is amended to provide that market-rate dwelling units and units occupied by persons who are not income eligible in a property owned by a local housing agency are taxed at market value and that market-rate units in a mixed-income development are not used for a public purpose.

The bill has an operative date of January 1, 2016.

There is no fiscal impact to the General Fund as a result of LB 210.

The Department of Revenue indicates no cost to implement LB 210.

We agree with the Department's estimate of cost.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES							
LB: 210 AM: AGENCY/POLT. SUB: Dept. of Revenue							
REVIEWED BY: Lyn Heaton DATE: 2/11/2015 PHONE: 471-4181							
COMMENTS: Concur. No fiscal impact on the Department of Revenue.							

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES								
LB: 210	AM:	AGENCY/POLT. SUB:	GENCY/POLT. SUB: Dept. of Economic Development					
REVIEWED BY:	Lyn Heaton	DATE: 2/	DATE: 2/10/2015 PHONE: 471-4181					
COMMENTS: N	o basis upon which to di	sagree with the Departmen	t of Economic Developr	ment's analysis.				

Fiscal Note 2015

State Agency Estimate									
State Agency Name: Department of RevenueDate Due LFA:2/10/2015									
Approved by: Len Sloup Date Prepared: 2/10/2015 Phone: 471-5896									
	FY 201	<u>5-2016</u>	FY 201	6-2017	FY 201	2017-2018			
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue			
General Funds		\$ 0		\$ 0		\$ 0			
Cash Funds									
Federal Funds									
Other Funds									
Total Funds		\$ 0		\$ 0		\$ 0			

LB 210 requires county assessors to determine a contributory value for individual units in a mixed-income development. Currently, assessors are to use a primary use test for whether parcels should receive exemptions. For these sorts of mixed-use parcels, no such test will apply.

LB 210 defines market-rate units to mean a dwelling unit in a mixed-income development not designated for occupancy by persons of eligible income or not available for a reduced rent to persons of eligible income.

It is estimated that this bill will have no impact on General Fund revenue.

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

Major Objects of Expenditure										
<u>Class Code</u>	Classification Title	15-16 <u>FTE</u>	16-17 <u>FTE</u>	17-18 <u>FTE</u>	15-16 <u>Expenditures</u>	16-17 <u>Expenditures</u>	17-18 <u>Expenditures</u>			
-										
Benefits										
Operating Costs										
Travel										
Capital Outlay										
Capital Improvements										
Total			•••••							

Fiscal Note 2015

State Agency Estimate									
State Agency Name: Dept. of Economic Development Date Due LFA1/21/2015									
Approved by: Dacia Kruse Date Prepared: 1/20/2015 Phone: 402-471-3777									
	FY 2014	4-2015	FY 201	5-2016	FY 2016-2017				
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue			
General Funds									
Cash Funds									
Federal Funds									
Other Funds									
Total Funds									

LB 210 adds a definition of "market-rate unit" to the Nebraska Housing Agency Act. A market rate unit is defined as "a dwelling unit in a mixed-income development that is not designated for occupancy only by persons of eligible income or that is not available at a reduced rent to persons of eligible income."

Under current law, certain real and personal property of a local housing agency (essentially administrative offices and housing for eligible income or qualifying tenants) is exempt from all taxes and special assessments of any city, county, the state, or any public agency thereof. However, other real and personal property of the housing agency is subject to taxation. LB 210 will make dwelling units, owned by housing agencies that are occupied by persons who are not persons of eligible income and market-rate units, subject to taxation.

As drafted LB 210 will have no impact on DED Housing programs.

The Department will have no costs to implement the bill.

Major Objects of Expenditure									
<u>Class Code</u>	Classification Title	14-15 <u>FTE</u>	15-16 <u>FTE</u>	16-17 <u>FTE</u>	14-15 <u>Expenditures</u>	15-16 <u>Expenditures</u>	16-17 <u>Expenditures</u>		
Benefits									
Operating Costs									
Capital Outlay									
A 1 4									
Capital Improvement	nts								
Total									