

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	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 493 amends the Nebraska Housing Agency Act to change requirements regarding an exemption from taxes and special assessments.

The bill removes a requirement that a controlled affiliate of the housing agency be “wholly owned” by the agency. The bill changes the exemption standard for property owned jointly by the agency or its affiliate with a nongovernmental person or entity from the extent of the ownership interest to only the extent the property is used to provide housing for eligible persons. The bill also provides for a reporting requirement regarding the exemption to the county assessor.

There could be an impact to the property tax revenue collected by political subdivisions, but it is not possible to determine the amount. The impact will vary based on the number of housing agencies affected and any change in the amount of exempt property in each taxing district due to the changes in LB 493.

Any decrease in property tax valuation due to the provisions of LB 493 will affect local resources in the state aid formula pursuant to the Tax Equity and Educational Opportunities Support Act, having an impact on General Fund expenditures. It is not possible to estimate the amount.

The Department of Revenue estimates no cost to implement the bill.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 493	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Lee Will	DATE: 2/26/2019	PHONE: (402) 471-4175	
COMMENTS: Concur with the Department of Revenue’s assessment that the bill will impact General Fund TEEOSA expenditures			

State Agency Estimate

State Agency Name: Department of Revenue	Date Due LFA: 2/25/19					
Approved by: Tony Fulton	Date Prepared: 2/22/19	Phone: 471-5896				
	FY 2019-2020		FY 2020-2021		FY 2021-2022	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds						
Cash Funds						
Federal Funds						
Other Funds						
Total Funds						

LB493 amends Neb. Rev. Stat. § 71-1590, which provides an exemption from all taxes and special assessments to local housing agencies and their controlled affiliates, to expand the tax exemption by removing the requirement that an affiliate controlled by a local housing agency be wholly owned by the local housing agency to qualify.

The bill directs local housing agencies and their controlled affiliates to provide notice of their exemption to the local county assessor before December 31 of the year preceding the year for which the exemption is first sought.

This bill will have an effect on TEEOSA, which will have a corresponding impact on General Fund expenditures.

It is estimated that there will be minimal costs to the Department to implement this bill.

Major Objects of Expenditure

<u>Class Code</u>	<u>Classification Title</u>	19-20	20-21	21-22	19-20	20-21	21-22
		<u>FTE</u>	<u>FTE</u>	<u>FTE</u>	<u>Expenditures</u>	<u>Expenditures</u>	<u>Expenditures</u>
Benefits.....							
Operating Costs.....							
Travel.....							
Capital Outlay.....							
Capital Improvements.....							
Total.....							