

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		(260,000)		(260,000)
OTHER FUNDS				
TOTAL FUNDS		(260,000)		(260,000)

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

LB 553 provides individuals, who offer a dwelling for rent, with the authority to require a person with a disability that is not readily apparent who seeks a reasonable accommodation for an assistance animal in the dwelling, to require the person with a disability provide written verification from a health service provider that confirms the person is disabled and the need for the service animal.

The Nebraska Equal Opportunity Commission (NEOC) has provided a fiscal note (see attached) that indicates up to \$260,000 in federal funds under a U.S. Housing and Urban Development (HUD) workshare agreement are at risk of being lost. The NEOC indicates this potential loss would be due to provisions within LB 553 deviating from HUD guidance and interpretation of the federal Fair Housing Act that currently allows the NEOC to receiving funding under the workshare agreement. There is no basis to dispute the agencies fiscal note.

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

2019

LB⁽¹⁾ 553

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Equal Opportunity Commission

Prepared by: ⁽³⁾ Marna Munn Date Prepared: ⁽⁴⁾ 2/19/19 Phone: ⁽⁵⁾ 402-471-2024

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	<u>(\$260,000)*</u>	_____	<u>(\$260,000)*</u>
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

* Average yearly revenue for prior three fiscal years under HUD workshare agreement.

Explanation of Estimate:

LB 553 is inconsistent with stated U.S. Housing and Urban Development (HUD) guidance and interpretation of the federal Fair Housing Act. The Nebraska Equal Opportunity Commission (NEOC), enforcing Nebraska's parallel Fair Housing Act, operates in part through a workshare agreement with HUD, which can only be maintained if the Nebraska Fair Housing Act is substantially equivalent to the federal Fair Housing Act. Departing from the language of the federal Act, and the interpretation of that language, could damage substantial equivalency, causing partial or total loss of the federal funds available through the workshare agreement. Currently HUD's guidance, and active enforcement, indicates that they consider a valid prescriptive letter to come from a larger range of professionals, (such as vocational rehab specialists, for one,) than outlined in LB 553. The language of LB 553 risks Nebraskans' local and free access to the NEOC should HUD cease engaging in the workshare agreement with the NEOC. Currently the NEOC relies on HUD funding to support the work of four (4) housing investigators, as well as numerous agency outreach activities and endeavors, all of which, and consequently the Unit Director of Housing and Outreach position, could be eliminated if the bill becomes law.

Irrespective of the substantial equivalency concern, individuals in Nebraska could simply bypass the state language and avail themselves of their rights under the federal Fair Housing Act, thus nullifying the purpose of inserting this language into the state Act. Nebraskans could choose to file a complaint directly with HUD, thus functionally creating the same situation. Last, because state and federal language would be different, Housing providers may become confused by this difference and would likely expose themselves to more liability by complying with state law, only to find out they had inadvertently violated federal law, which will continue to allow prescriptive notes from non-medical personnel.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____