



Hundredth Legislature - First Session - 2007
Committee Statement
LB 703

Hearing Date: March 8, 2007

Committee On: Revenue

Introducer(s): (Friend)

Title: Change use of the income-approach calculation in determining the assessed valuation for rent-restricted housing projects

Roll Call Vote – Final Committee Action:

Advanced to General File

Advanced to General File with Amendments

X Indefinitely Postponed

Vote Results:

6 Yes Senators Burling, Cornett, Dierks, Janssen, Raikes and White

0 No

0 Present, not voting

2 Absent Senators Langemeier and Preister

Proponents:

Rod Krogh, Legislative Aide
Beverly Fleming
W. Fred Hoppe

Representing:

Senator Mike Friend, Introducer
Interfaith Housing Coalition, Inc.
Nebraska State Homebuilders and
Nebraska Realtors Association

Opponents:

Beth Bazyn Ferrell

Representing:

Nebraska Association of County Officials

Neutral:

Trent Sidders

Representing:

Himself

Summary of purpose and/or changes:

LB 703 would have amended section 77-1333 to make several changes to the assessment procedures regarding low-income housing. Current law was enacted by LB 263 (2005). It requires that county assessors perform an income calculation for purposes of valuation of properties qualifying for tax credits under Section 42 of the Internal Revenue Code. The calculation is to be in accordance with rules and regulations of the Property Tax Administrator and professional mass appraisal techniques. The tax credits received by investors are not to be considered income but are considered in determining the capitalization rate. Despite the required

calculation using the income method, county assessors are free to consider and use other techniques.

LB 703 would have required county assessors to use the income methodology. The bill struck the requirement that the income approach be consistent with the rules and regulations and mass appraisal techniques. LB 703 also struck the consideration of the tax credits in determining the capitalization rate. Finally, under LB 703, the assessor could have only considered other techniques of mass appraisal if the income and expense information are not filed with the county assessor as required.

Explanation of amendments, if any:

Senator Ray Janssen, Chairperson