

ONE HUNDRED THIRD LEGISLATURE - FIRST SESSION - 2013
COMMITTEE STATEMENT
LB348

Hearing Date: Friday March 01, 2013
Committee On: Revenue
Introducer: Harr
One Liner: Change provisions relating to the assessment of certain rent-restricted housing projects

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye:	6	Senators Hadley, Hansen, Harr, McCoy, Pirsch, Sullivan
Nay:	1	Senator Schumacher
Absent:		
Present Not Voting:	1	Senator Janssen

Proponents:

Sen. Burke Harr
John Weichmann
Keith May
Janet Latimer
Ward Hoppe
Kathryn Mesner
Chris Lamberty
Tom Huston
Bill Mueller

Representing:

Introducer
Midwest Housing Equity Group, Inc.
NE Bankers Assoc./ Union Bank and Trust Co.
Horizon Bank
NE Realtors/ Home Builders Assoc.
NE Commission on Housing & Homelessness
Lincoln Housing Authority/ NE Chapter of NAHRO
Self
NE Assoc. of Commercial Property Owners/ Eastern NE
Development Council

Opponents:

Larry Dix

Representing:

NACO

Neutral:

Brian Wilson
Tim Kenny

Representing:

Self
NIFA

Summary of purpose and/or changes:

The bill as drafted provides a new procedure for determining the taxable property value of certain types of housing developments. The procedure would allow the Nebraska Investment Finance Authority to determine a capitalization rate to be used in the income capitalization approach to determining taxable value. Ultimately, this puts the authority to determine the taxable value in the hands of state employees who have no other value assessment responsibilities.

The bill appears, on page 2, line 19, to mandate the assessment methodology used. On page 3, line 10 the bill cites provisions of federal law which are to be used to describe the housing eligible for this valuation approach.

Explanation of amendments:

The Committee amended the bill to require county assessors to use the income method of valuing certain rent restricted

housing. Further, the Committee amendment requires the county assessor to use the capitalization rate provided to the assessor by the Nebraska Investment Finance Authority. The Nebraska Investment Finance Authority is required to calculate the capitalization rate annually using a market derived capitalization rate. The capitalization rate must take into account low income housing tax credits available. The capitalization rate must include an added factor reflecting the property tax levy applicable to the property. Capitalization rates shall, if necessary, be calculated for each county, or for a group of counties, taking into account the unique market conditions existing therein.

Galen Hadley, Chairperson