

ONE HUNDRED SEVENTH LEGISLATURE - FIRST SESSION - 2021
COMMITTEE STATEMENT
LB412

Hearing Date: Thursday February 11, 2021
Committee On: Revenue
Introducer: Cavanaugh, M.
One Liner: Change a tax and assessment provision under the Nebraska Housing Agency Act

Roll Call Vote - Final Committee Action:
Indefinitely postponed

Vote Results:
Aye: 6 Senators Albrecht, Briese, Flood, Friesen, Lindstrom, Linehan
Nay: 2 Senators Pahls, Bostar
Absent:
Present Not Voting:

Oral Testimony:

Proponents:
Senator Machaela Cavanaugh
David Levy

Representing:
Introducer
Omaha Housing Authority

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

The bill would amend certain definitions under the Nebraska Housing Agency Act ("the Act").

Since the purpose of the Act is to provide affordable housing for low income residents, facilities that are owned by a local housing agency are generally exempt from paying both real and personal property taxes. The exemption is allowed if the property is used solely:

- For the administrative offices of the housing agency;
- To provide housing for persons of eligible income and qualifying tenants; and
- For appurtenances related to such housing.

This exemption is allowed for local housing authorities or "wholly owned controlled affiliates thereof." Neb.Rev.Stat.Sect.71-1575(8) defines a controlled affiliate as:

any affiliate of a local housing agency (a) in which commissioners, officers, employees, and agents of such agency constitute a majority of the governing body of such entity or (b) in which such agency holds a majority of the ownership interests;

LB412 would strike the phrase "wholly owned" to allow a controlled affiliate of the housing agency to qualify for the property tax exemption.

Further, the property tax exemption is limited under the Act "to the extent of the ownership interest which the housing agency and its wholly owned controlled affiliate hold in the property." LB412 would strike this language, thereby allowing a full property tax exemption, even if a nongovernmental entity maintains an ownership interest in the facility.

Finally, the bill requires the housing agency or controlled affiliate to provide notice of the exemption to the county assessor by December 31 of the year preceding the year for which the exemption is first claimed.

Lou Ann Linehan, Chairperson