

Fiscal Estimate Narratives

DOR 9/2/2021

LRB Number	21-4393/1	Introduction Number	SB-533	Estimate Type	Original
Description housing authorities					

Assumptions Used in Arriving at Fiscal Estimate

The bill authorizes a housing authority to undertake certain mixed developments and increases the bidding threshold for housing authority projects from \$25,000 to \$50,000. Under current law, a housing authority may exercise a variety of powers generally related to increasing the availability of safe and sanitary dwelling accommodations for persons of low income. Under the bill, a housing authority also has the authority to acquire, construct, and operate mixed developments.

Current law exempts housing authority property in which an authority operating within a 1st class city or an entity in which an authority operating within a 1st class city holds an ownership interest where (a) the property is held as part of a financing or equity plan that includes state or federal tax credits, financing, funding, or rent subsidy or (b) a purpose related to the conversion of housing project to a rental or housing assistance program under contract with the federal government. Current law allows a city to fix a sum to be paid annually in lieu of taxes, and the amount in lieu of taxes may not exceed the amount that would be levied as the annual tax of the city upon the project.

The fiscal effect would depend on if a housing authority redevelops an existing tax-exempt property or if it redevelops a taxable property. Redeveloping a tax-exempt property would have no fiscal effect, while redeveloping a taxable property would result in an indeterminate property tax shift to other taxable properties in the overlying taxing jurisdictions.

The bill would not impact tax incremental districts.

Long-Range Fiscal Implications