

The January 14, 2016, meeting was called to order at 9:00 a.m. in the Media Conference Room at the Department of Revenue by Pat Albro, Chair of the Committee.

In attendance were: Pat Albro, designee of the Property Tax Administrator; Lori Johnson, private sector appraiser; Rob Ogden, representing the county assessors; and John Wiechmann, representing the low income housing industry. Also from the Department of Revenue, Property Assessment Division, were Jon Cannon counsel for the Committee and Jim Koch note taker.

Ms. Albro read the open meetings law provisions as applicable to the meeting.

Ms. Albro asked for public comments from others in attendance either in person or by telephone. There were no public comments

The minutes of the November 23, 2015, were read. Ms. Johnson moved to approve the minutes as read. Rob Ogden seconded the motion. Lori Johnson, aye; Rob Ogden, aye; John Wiechmann, aye; and, Pat Albro, aye. 4 ayes, no nays the motion passed.

Mr. Wiechmann moved to have agenda item 7, "Other Items of Interest", moved up in order to discuss recent meetings with assessors. The motion was seconded by Ms. Johnson. All voted aye.

Ms. Albro shared information regarding the presentation to assessors at their workshop. The assessors were provided with examples of how to apply the 'cap rate' determined by the Committee. The rights and authorities of the assessors were discussed, also.

Jon Cannon discussed specific questions raised by a county assessor and the county board. The questions concerned the right of the assessor to present information to the county board so they might petition the Tax Equalization and Review Commission to allow them to use an alternate method to better value a project involving multiple parcels. While the county officials felt the Tax Commissioner should present an appeal to the Commission, it was explained that this was clearly a right of the county board. The county officials had contacted two Committee members regarding this concern. Committee members should gauge appropriateness of discussions they might be drawn into with others regarding the implementation of the capitalization rates issued.

Ms. Johnson commented on observations she made in reviewing the income and expense statements presented by the projects. She noticed inconsistencies in the reporting of Payroll/Processing fees she felt were unusually high. Her suggestion was the Committee watch for inconsistencies by testing the relationship of effective gross income to net operating income. There was also a comment regarding the reporting of reserves for replacement which is a requirement under Section 42 reporting.

Mr. Wiechmann mentioned that the reporting of repair expenses should also be reviewed as occasionally a project may erroneously report capital expenditures under the repair expenses. Mr. Wiechmann will provide a national study of income and expense ratios that can be compared to the reported expenses.

Mr. Ogden had also observed atypical vacancy rates in some project filings. It was generally agreed that in most cases the affordable housing projects have waiting lists of qualified tenants and reported low vacancy rates, but this may not be the case in some less populated communities. Additionally a single vacancy in a small project can skew the vacancy rate reported. The project manager should be able to explain this.

Committee members should decide what they want to see in the next round of reporting prior to the next meeting. Mr. Ogden suggested getting input from the assessors and their appraisers regarding the information they would want included.

Mr. Wiechmann moved to meet Thursday, February 11, 2016, at 9:00 a.m. in the Department of Revenue. The motion was seconded by Ms. Johnson. Johnson, aye; Wiechmann, aye; Ogden, aye; and Albro, aye.

Mr. Wiechmann suggested that the reporting requirements could be presented to project managers and developers at the Nebraska Investment Finance Authority's Housing Innovation Marketplace event March 22 or 23. He was asked to contact NIFA to determine if this could be arranged.

An additional planning meeting was scheduled for Friday, March 11, 2016, at 9:00 a.m. to discuss a revised format for projects to report their financials to the Committee.

Motion to adjourn was made by Mr. Ogden; seconded by Ms. Johnson. Albro, aye; Johnson, aye; Ogden, aye; and Wiechmann, aye. The motion carried.

The meeting adjourned at 10:15 a.m.

The February 11, 2016, meeting was called to order at 9:00 a.m. in the Media Conference Room at the Department of Revenue by Pat Albro, Chair of the Committee.

In attendance were: Pat Albro, designee of the Property Tax Administrator; Lori Johnson, private sector appraiser; Rob Ogden, representing the county assessors; and John Wiechmann, representing the low income housing industry. Also from the Department of Revenue, Property Assessment Division, were Jon Cannon counsel for the Committee and Jim Koch note taker.

Ms. Albro read the open meetings law provisions as applicable to the meeting.

Ms. Albro asked for public comments from others in attendance either in person or by telephone. Kim Manning of Douglas County and Tim Ederer of Sarpy County joined the meeting by telephone.

Tim Ederer stated that the county had two indications of 'value' in the form of the Tax Increment Financing (TIF) document on file for one project and a sale price on another. Using the income/expenses reported by the projects capitalized at the rate published by the Committee, the valuations were significantly lower than the indicated values. He was concerned with the reporting by the projects and wished the Committee might address this in the guidelines for next year's reporting.

The minutes of the January 14, 2016, meeting were read. Rob Ogden moved to approve the minutes; John Wiechmann seconded the motion. Lori Johnson, aye; Rob Ogden, aye; John Wiechmann, aye; and, Pat Albro, aye. 4 ayes, no nays the motion passed.

Lori Johnson provided an excel spreadsheet for project managers to report additional financial information. The Committee members discussed the suggested format. Pat Albro said she would work with the IT people in the Department to see if this format could be made available on-line so that the information could be filed with the state and compiled for analysis in future years. If this can be accomplished, Rob Ogden wondered if the requirement for filing at both the county and state levels could be eliminated and provide for sharing the information between the two.

Pat Albro and Rob Ogden would meet with county assessors at their district meetings to discuss the new reporting requirements. The assessors will be asked for their suggestions on how the Committee might help in gathering and sharing the information received. Jon Cannon pointed out that the assessors may request any other information they feel is necessary to perform their assessments and they shouldn't feel they are limited to using only the information forwarded to the Committee.

John Wiechmann suggested that the project managers be required to file a copy of the audited financial reports to support the information provided in the income/expense statements. This would result in more reliable reporting.

John Wiechmann thought the meeting with project managers and developers at the Nebraska Investment Finance Authority's event in March would be a good opportunity to explain these reporting requirements.

Tim Ederer, of Sarpy County, wondered if the reporting requirements could include better detail on the financing of the projects distinguishing permanent financing and 'gap' financing for projects. It was felt the revised reporting requirements contemplated by the Committee would help understand the financing.

An additional planning meeting is scheduled for Friday, March 11, 2016, at 9:00 a.m. to discuss revisions to the presentation for the Nebraska Investment Finance Authority meeting.

Motion to adjourn was made by Mr. Ogden; seconded by Ms. Johnson. Albro, aye; Johnson, aye; Ogden, aye; and Wiechmann, aye. The motion carried.

The meeting adjourned at 9:45 a.m.

The March 11, 2016, meeting was called to order at 9:00 a.m. in the Media Conference Room at the Department of Revenue by Pat Albro, Chair of the Committee.

In attendance were: Pat Albro, designee of the Property Tax Administrator; Lori Johnson, private sector appraiser; Rob Ogden, representing the county assessors; and John Wiechmann, representing the low income housing industry. Also from the Department of Revenue, Property Assessment Division, were Grace Willnerd counsel for the Committee.

Ms. Albro read the open meetings law provisions as applicable to the meeting.

Ms. Albro asked for public comments from others in attendance either in person or by telephone. Steve Shultz joined the meeting by telephone.

The minutes of the February 11, 2016, meeting were read. Rob Ogden moved to approve the minutes; John Wiechmann seconded the motion. Lori Johnson, aye; Rob Ogden, aye; John Wiechmann, aye; and, Pat Albro, aye. 4 ayes, no nays the motion passed.

Pat Albro gave an overview of some of the outstanding topics from the February meeting. Pat Albro and Rob Ogden will meet with county assessors at their district meetings to discuss the new reporting requirements.

Pat Albro gave a review of her conversation with IT staff regarding electronic filing next year. It appears that there would be no issues in moving this form to an electronic version.

Pat Albro discussed a conversation with Tim Ederer of Sarpy regarding capturing the parcel identification number of rent restricted housing projects. This would allow for the county assessors to identify the property more easily. Discussion was had regarding this comment and all agreed that the parcel identification number is helpful and should be filled out on the form.

The presentation for the Nebraska Investment Finance Authority meeting was then discussed slide by slide. Various grammatical errors were corrected and a discussion of which Committee member would discuss which topic was had. It was agreed that the proposed form would be provided to the audience as a handout.

An additional planning meeting will be schedule for a date to be determined in May 2016, at 9:00 a.m. to discuss business related to the Committee.

Motion to adjourn was made by Mr. Ogden; seconded by Ms. Johnson. Albro, aye; Johnson, aye; Ogden, aye; and Wiechmann, aye. The motion carried.

The meeting adjourned at 9:45 a.m.

The June 29, 2016 meeting of the Rent-Restricted Housing Projects Valuation Committee (Committee) was called to order at 1:00p in the Tax Commissioner's Conference Room at the Department of Revenue by Pat Albro, Chair of the Committee.

In attendance were the following Committee members: Pat Albro, as designee of the Property Tax Administrator and Chair of the Committee; Rob Ogden, representing the county assessors; John Wiechmann, representing the low-income housing industry; and Lori Johnson (arriving at 1:20p), representing private sector appraisers. Also in attendance were Suvarna Ganadal and Sonya Friesen from the Department of Revenue, and Tim Ederer from the Sarpy County Assessor's office. Jon Cannon served as counsel and secretary to the Committee.

Ms. Albro read the open meetings law provisions as applicable to the meeting.

Ms. Albro asked for public comments from others in attendance either in person or by telephone.

The minutes of the March 11, 2016 meeting were read. Rob Ogden moved to approve the minutes; John Wiechmann seconded the motion. Ogden, aye; Wiechmann, aye; and Albro, aye. 3 ayes, no nays; the motion passed.

Ms. Albro described the presentation that she and Rob Ogden made to the county assessors in the Northeast District of the Nebraska Association of County Officials. They received questions from the county assessors about how to use the capitalization rate; whether the capitalization rate should be applied to each building or the parcel as a whole; and how the tax rate should be loaded into the capitalization rate.

Mr. Wiechmann brought up the presentation made by the Committee to the Nebraska Investment Finance Authority (NIFA). The feedback was uniformly positive. Ms. Albro had received one question from an attendee regarding what should happen if a county assessor refused to follow the statute. Ms. Albro suggested talking to the county assessor and walking through how the value had been set.

Ms. Albro brought up for discussion whether the parcel identification number could be captured on the form used for income and expenses. Mr. Ogden stated that would be very helpful to acquire. The concern was about projects with multiple parcel identification numbers. Mr. Ederer volunteered that the most Sarpy County has in any one project is 15 distinct parcel IDs. The question was raised as to what sort of unique ID could be captured for a project; NIFA uses unique identifiers for each project. The Committee would also need to have the county number included on the form, as well as the Department of Revenue logo.

The discussion turned to a general discussion of the form, and how in-depth the instructions should be. Discussion was had about what means there were of verifying what was reported in the income and expense statement, such as an audited financial statement, a schedule of operating expenses, or a statement of cash flows.

The discussion turned to requiring electronic submission of the form. The Committee's consensus is that such a thing is at least a year away, possibly through legislation. Another potential legislative proposal could be only requiring the form to be filed with the Department.

Ms. Albro asked the Committee to consider whether any consideration should be given to establishing different capitalization rates for homes vs. large units.

Mr. Wiechmann suggested there would need to be one more meeting to approve the form. Discussion was had about Ms. Albro emailing the form to each member and arriving at a consensus prior to the next scheduled meeting.

Ms. Albro moved to adjourn. Seconded by Mr. Ogden. Ms. Johnson, aye; Mr. Ogden, aye; Mr. Wiechmann, aye; Ms. Albro, aye. 4 ayes, no nays; the motion carried.

The meeting adjourned at 1:45p.

Submitted by: Jon Cannon

RENT RESTRICTED HOUSING PROJECTS VALUATION COMMITTEE

**Tax Commissioners Hearing Room-2nd Floor-Nebraska State Office Building
301 Centennial Mall South, Lincoln, NE**

The October 28, 2016, meeting was called to order at 1:05 p.m.

Roll call: Pat Albro, designee of the Property Tax Administrator; Lori Johnson, representing private sector appraiser; Rob Ogden, representing the county assessors; and John Wiechmann, representing the low income housing industry. Also attending were Suvarna Ganadal from the Department of Revenue and Jon Cannon, counsel to the Committee.

Provisions of the Open Meetings Act were read and made available in the room.

This time was set aside for public comments from others in attendance in person or by telephone. There were no attendees other than the committee members.

Minutes of the June 29, 2016, meeting were read. John Wiechmann mentioned the misspelling of his last name in the minutes. Ms. Johnson moved to approve the minutes as read with the correction of the spelling. Mr. Ogden seconded the motion. A roll-call vote was taken. Lori Johnson, aye; Rob Ogden, aye; John Wiechmann, aye; and, Pat Albro, aye. 4 ayes, no nays the motion passed.

With the assistance of Suvarna Ganadal and Sarah Scott, the information from the Low Income Housing Tax Credit Program properties was collected and put into an Excel spreadsheet for Committee members to analyze.

Information for 270 separate projects was assembled. This is seven more projects than reported in 2015. Ms. Albro had information for several more projects that was not in spreadsheet form, but paper form, and wondered if it would be necessary to add these to the sample. This would not be necessary as the Committee needs only a representative sample and not all project properties.

Some of the forms were returned in pdf or paper format. It was necessary to contact these property managers to complete the spreadsheets and submit in Excel format to accommodate the data entry.

Ms. Albro was pleased that the Nebraska Investment Finance Authority(NIFA) cooperated with her requests for a list of Section 42 housing projects and contact information.

Several questions were presented from projects that were past the first 15-year compliance period and were no longer required to have audits performed. At least one manager stated that they had never been required to have a certified audit performed. Other questions concerning the new filing requirements.

Ms. Albro e-mailed a copy of the spreadsheet with the information for the committee members to review prior to the next meeting. The next step will be to determine what to do with the data.

Committee members expressed a concern that there may be a need to determine a separate capitalization rate for the single family rent-to-own properties different from the multi-family rental projects. Although the members feel this would make sense for assessment purposes, Mr. Cannon suggested that the statute, as written, allows only for different capitalization rates for locational differences.

At this time the Committee felt that they should make recommendations for statutory changes to address other situations that would warrant a different capitalization rate such as projects that include both restricted and market-rate rental units. The statutory changes discussed were:

- Filing with the state only.
- Filing on a form prescribed by the Tax Commissioner that could not be changed or altered.
- Changing the date for filing information to allow more time for the Committee to act and report.

The Nebraska County Assessors Association has requested the Committee to present and participate in their December 15 Conference at the Younes Convention Center in Kearney, Nebraska. The Committee discussed presentation of the information provided earlier at district meetings and opening up the discussion for questions.

The Committee set the following dates for considering the 2017 capitalization rate to be published

November 10, 2016, at 9:00 a.m.

November 22, 2016, at 9:00 a.m.

November 29, 2016, at 9:00 a.m. will be reserved in case a third meeting is required.

Mr. Ogden moved to recess the meeting until November 10, 2016. The motion was seconded by Mr. Wiechmann. The motion was unanimously approved and the meeting was closed at 2:06 p.m.

RENT RESTRICTED HOUSING PROJECTS VALUATION COMMITTEE

Tax Commissioners Hearing Room-2nd Floor-Nebraska State Office Building 301 Centennial Mall South, Lincoln, NE

The November 10, 2016 meeting was called to order at 1:05p. Chairperson Pat Albro appeared telephonically; all other members were present in Lincoln.

Roll call: Pat Albro, designee of the Property Tax Administrator and chair; Lori Johnson, representing private sector appraisers; Rob Ogden, representing county assessors; and John Wiechmann, representing the low-income housing industry. Also attending were Mihdi Vahedi, attorney for the Department of Revenue, and Jon Cannon, counsel to the Committee. Attending telephonically was Professor Steven D. Shultz of the University of Nebraska at Omaha.

Provisions of the Open Meetings Act were read and made available in the room.

Time was set aside for public comments from others in attendance in person or by telephone. Professor Shultz had not yet joined the conversation.

Minutes of the October 28, 2016 meeting were read. Mr. Ogden moved to approve the minutes as read. Ms. Johnson seconded the motion. A roll-call vote was taken: Johnson, aye; Ogden, aye; Wiechmann, aye; and Albro, aye. 4 ayes, no nays, the motion passed.

Mr. Wiechmann presented the findings from his review of the information gathered from the income and expense statements. He and his team had calculated a mortgage constant and a capital stack. They discarded 16 projects they had failed to list their total development costs, and were therefore unreliable. 25 projects were discarded because they had only reported their equity. Another 12 projects were discarded because they listed no debt at all.

Based on this information, Mr. Wiechmann had calculated an overall statewide mortgage constant of 6.25%. However, a more detailed analysis suggested justification of separate mortgage constants for Douglas and Sarpy Counties combined; Lancaster County; and the other 90 counties. Using separate mortgage constants, Mr. Wiechmann suggested a mortgage constant for Douglas and Sarpy County of 5.38%; a mortgage constant of 5.30% for Lancaster County; and a mortgage constant of 6.95% for the rest of the state.

Mr. Wiechmann also calculated an overall statewide capital stack of 36% debt and 64% equity. However, a more detailed analysis suggested justification of separate capital stacks for Douglas and Sarpy Counties combined; Lancaster County; and the other 90 counties. Mr. Wiechmann suggested a capital stack for Douglas and Sarpy Counties of 35% debt and 65% equity; a capital stack for Lancaster County of 31% debt and 69% equity; and a capital stack of 37% and 63% equity for the rest of the state.

Ms. Johnson noted that Mr. Wiechmann's presentation involved a more thorough analysis of which projects should be discarded – her analysis only excluded those projects where the stack did not total 100 percent. She used 125 projects in her analysis. She came up with a statewide equity position of 58.25%, and called it at 60%, with 40% allocated to debt. For 187 projects analyzed, she had an average 7.9423% mortgage constant. She said that she wanted to be able to consider at least one year of pre-tax cash flow. She encountered some projects with negative

incomes, which reinforced her belief that tax credits have to be included in any calculation of income.

Mr. Ogden said he would like to take Ms. Johnson's work and run some simple regression analysis and determine confidence levels. He volunteered to send the results of this analysis to Ms. Albro for her to distribute to the Committee members.

Mrs. Johnson said she would include the credits to see if it yielded a different result. She had confidence in her capital stack, and noted that last year, the Committee had called a 30/70 split between debt and equity.

Mr. Ogden said he would work on some reconciliation during the week of 11/14-11/18 to see if there was justification for a different rate.

Mr. Wiechmann mentioned that the quality of the information had improved since the prior year. All Committee members agreed.

Mr. Ogden said that he will put together summary statistics for the next meeting and email them to Ms. Albro for distribution to the Committee members.

Mr. Wiechmann said that he had some suggestions for tightening up the form for next year, particularly to only allow numeric values to be used in certain cells, and forcing certain columns to equal 100% before the form could be submitted. He also asked if database administrators from MHEG could be put into contact with persons from the Department to help review the data. There was general agreement that this would be a good use of resources.

Mr. Wiechmann also had some suggestions for potential legislation for the 2017 Legislative Session. In particular, he suggested that the dates for submitting the information to the Committee could be moved to earlier in the year, such as June or July, giving the Committee more time to sort all the data and track down incomplete data. He also suggested using different capitalization rates for different housing types.

Mr. Ogden suggested that Mr. Wiechmann should talk to Larry Dix at the Nebraska Association of County Officials and Tom Placzek, the legislative liaison for the Association of County Assessors.

Mr. Wiechmann asked if the Department of Revenue would be interested in testifying. Mr. Cannon advised the Committee that the Department typically testifies neutral on most bills, but there could be exceptions. This would be determined by the Property Tax Administrator.

Ms. Albro asked those in attendance if there were any other comments. Professor Shultz stated that he had been skeptical of using a band of investment technique for valuing these properties, but was more persuaded after reviewing the data and listening to the Committee deliberate. He suggested that it might be more appropriate for newer projects, and less so for older projects. He

also suggested that, to the extent that the Committee had this data, it should be easier to separate those sorts of projects out. Mr. Cannon advised Professor Shultz that, so far, the statute under which the Committee operated only provided for separate capitalization rates specific to individual counties or groups of counties.

Mr. Ogden moved to recess the meeting until November 22. Mr. Wiechmann seconded the motion. A roll-call vote was taken: Johnson, aye; Ogden, aye; Wiechmann, aye; and Albro, aye. 4 ayes, no nays, the motion passed. The meeting recessed at 9:26a.m.

RENT RESTRICTED HOUSING PROJECTS VALUATION COMMITTEE

Tax Commissioners Hearing Room-2nd Floor-Nebraska State Office Building 301 Centennial Mall South, Lincoln, NE

The November 22, 2016 meeting was called to order at 9:00 a.m. Chairperson Pat Albro appeared telephonically; all other members were present in Lincoln.

Roll call: Lori Johnson, representing private sector appraisers; Rob Ogden, representing county assessors; John Wiechmann, representing the low-income housing industry and Pat Albro, designee of the Property Tax Administrator and chair. Also attending were Jon Cannon, counsel to the Committee. Attending telephonically was Professor Steven D. Shultz of the University of Nebraska at Omaha.

Provisions of the Open Meetings Act were read and made available in the room.

Time was set aside for public comments from others in attendance in person or by telephone. Dr. Schultz questioned whether the committee would consider providing a summary of the data received noting the issues the committee saw in the quality of the data reported between projects.

Minutes of the November 10, 2016, meeting were read. Mr. Wiechmann asked to change comments attributed to him regarding legislative changes to providing capitalization rates by counties or groups of counties only. Ms. Johnson made the motion to accept the minutes with the recommended change. Mr. Ogden seconded the motion. A roll-call vote was taken: Johnson, aye; Ogden, aye; Wiechmann, aye; and Albro, aye. All ayes, no nays, the motion passed.

Discussion was had regarding the further review of the data received by the committee. Mr. Ogden presented the statistical summary he had done on Ms. Johnson's mortgage rate analysis. Using 21 properties from Lancaster county; 67 properties from Douglas and Sarpy counties; and, 105 properties from the rest of the state, he calculated the median and mean mortgage constants and the standard deviations for the data. Using a capital stack of 40% debt and 60% equity to weight the mortgage constant and equity return rates for the three areas resulted in indicated overall capitalization rates between 6.4% to 7.16% using the 95% confidence interval. Calculated overall rate for Omaha and Lincoln was 6.80% and the calculated rate for the rest of the state was 6.70%. All areas were calculated with a 5.00% rate for equity. His determination was that the data did not support using different rates for the different areas identified. The data analysis was very near the rates determined for the 2016 assessment year.

In considering the return to equity, Mr. Wiechmann explained that the 5% rate was calculated using a 15-year after-tax return as presented in the data from Midwest Housing Equity Group (MHEG). The difference from the rate calculated by Ms. Johnson and presented by MHEG could be attributed to the fact that MHEG had personal knowledge regarding some projects that allowed them to 'scrub' the data for inconsistencies, missing responses, and erroneous reporting by the project managers. Mr. Cannon, counsel for the committee, read the statute that gives the committee authority to make their decision on the totality of all data collected, not just the data available in the income and expense reports.

Mr. Ogden moved to accept the data collected and analyzed by Ms. Johnson. Mr. Wiechmann seconded. A roll call vote was taken: Ms. Johnson, aye; Mr. Ogden, aye; Mr. Wiechmann, aye; and Ms. Albro, aye. All ayes, no nays, the motion passed.

Members discussed the use of a three-year average of data or using the most recent year. There were no objections to using either technique. Either method would result in a weighted overall rate of about 6.71% rounded to 6.70%. Mr. Ogden suggested the result be rounded to 6.50% and presented the motion to use a 6.50% unloaded overall rate for the 2017 assessment year. The motion was seconded by Ms. Johnson. A roll-call vote was taken: Ms. Johnson, aye; Mr. Ogden, aye; Mr. Wiechmann, aye; and Ms. Albro, aye. All ayes, no nays, the motion passed.

Mr. Ogden moved to have Jon Cannon draft a final report for the 2017 assessment year for the committee to adopt at the next meeting. Mr. Wiechmann seconded this motion. A roll-call vote was taken: Ms. Johnson, aye; Mr. Ogden, aye; Mr. Wiechmann, aye; and Ms. Albro, aye. All ayes, no nays, the motion passed.

In addition, the committee will post on the Department website the following information:

- Mr. Ogden's statistical analysis supporting a single overall rate statewide;
- Ms. Johnson's mortgage constant analysis from data provided by the project managers; and,
- Mr. Wiechmann's equity return rates.

Ms. Albro set agenda items for the November 29, 2016, meeting to include:

Approval of the annual report and discussion of a technical bill for legislation to allow additional time for the committee to study data next year and allowance for additional capitalization rate considerations.

Mr. Ogden moved to adjourn; Ms. Johnson seconded. A roll call vote was taken: Ms. Johnson, aye; Mr. Ogden, aye; Mr. Wiechmann, aye; and Ms. Albro, aye. All ayes, no nays, the motion passed.

The meeting adjourned at 9:42 a.m.

RENT RESTRICTED HOUSING PROJECTS VALUATION COMMITTEE

Tax Commissioners Hearing Room-2nd Floor-Nebraska State Office Building 301 Centennial Mall South, Lincoln, NE

The November 29, 2016 meeting was called to order at 9:01 a.m. by chair Pat Albro.

Roll call: Lori Johnson, representing private sector appraisers; and, Rob Ogden, representing county assessors. Members joining telephonically were John Wiechmann, representing the low-income housing industry and Pat Albro, designee of the Property Tax Administrator and chair. Also attending were Jon Cannon, counsel to the Committee. Attending telephonically was Professor Steven D. Shultz of the University of Nebraska at Omaha.

Provisions of the Open Meetings Act were read and made available in the room.

Time was set aside for public comments from others in attendance in person or by telephone. Dr. Schultz had no comments at this time.

Minutes of the November 22, 2016, meeting were read. Ms. Johnson made the motion to accept the minutes; Mr. Ogden seconded the motion. A roll-call vote was taken: Johnson, aye; Ogden, aye; Wiechmann, aye; and Albro, aye. All ayes, no nays, the motion passed.

Mr. Cannon read the draft of the 2017 Report of the Rent-Restricted Housing Projects Valuation Committee for discussion. Ms. Johnson was concerned that the language in the fifth paragraph of the draft would present confusion to readers. Mr. Ogden suggested the seventh paragraph explained the committee's decision based on all information provided was sufficient.

Mr. Wiechmann moved to strike the language in the fifth paragraph; seconded by Ms. Johnson. A roll call vote was taken; Ms. Johnson, aye; Mr. Ogden, aye; Mr. Wiechmann, aye; Ms. Albro, aye. All ayes, no nays, the motion passed.

With that deletion, Mr. Ogden moved to approve the Report of the Rent-Restricted Housing Projects Valuation Committee. Ms. Johnson seconded the motion. A roll call vote was taken. Ms. Johnson, aye; Mr. Ogden, aye; Mr. Wiechmann, aye; Ms. Albro, aye. All ayes, no nays. The motion passed.

Ms. Albro had e-mailed members with Mr. Wiechmann's mark-up of changes to statute for consideration by the legislature. Mr. Cannon had offered additional comments. The recommended language would require the project information to be provided to the Department in a defined electronic format. The information would be shared with the county assessors. The filing date would be moved to July 1 allowing for more time to analyze the data. The committee would also be allowed to determine capitalization rates for differing housing types based on the analysis.

Mr. Ogden moved that Mr. Wiechmann present the committee recommendations to the Nebraska Association of County Officials and executive director, Larry Dix. Ms. Johnson seconded the motion. A roll call vote was taken. Ms. Johnson, aye; Mr. Ogden, aye; Mr. Wiechmann, aye; Ms. Albro, aye. All ayes, no nays. The motion passed.

Ms. Albro asked for member comments regarding the presentation for assessors during Nebraska Association of County Officials conference this December 15th, at the Younes Convention Center in Kearney, Nebraska. Mr. Ogden suggested that the committee presentations were made at county assessor district meetings over the summer. He thought the assessors might have additional questions and suggested this time be devoted to a question and answer session. Other members agreed. No committee business was expected to be undertaken during the conference.

Mr. Wiechmann had presented information to Dr. Schultz' class. Dr. Schultz asked if the committee was tracking the percentage of response from projects that could have provided income/expense information. Additionally, he wondered if the committee was concerned with the treatment of those projects that had not responded and whether the treatment of non-project properties for tax purposes could represent a distinct group worth further analysis.

Ms. Albro responded that with revisions being considered in receiving the data, it should become more consistent. Mr. Cannon said that the law allowed the assessor to value those properties that had not provided the required information to be valued in any accepted assessment method.

Mr. Ogden moved to adjourn the meeting. Ms. Johnson seconded. A roll call vote was taken. Ms. Johnson, aye; Mr. Ogden, aye; Mr. Wiechmann, aye; Ms. Albro aye. All ayes, no nays. The motion passed.

The meeting adjourned at 9:30 a.m.