## Local Mandate Fiscal Impact Estimate Kentucky Legislative Research Commission 2016 Regular Session

## **Part I: Measure Information**

<b>Bill Request #:</b> 491					
Bill #: HB 411 HCS					
Bill Subject/Title: -	AN ACT relating to the distribution of federal low-income housing tax credits.				
Sponsor: Simpson, Arnold R					
Unit of Government:		X County X Consolidated Local	XUrban-CountyUnified LocalX		
Office(s) Impacted:					
Requirement: X Mandatory Optional					
Effect on Powers & Duties:	Modifies Existing	X Adds New E	liminates Existing		

## Part II: Purpose and Mechanics

This bill requires the chief executive officer of a local government to publish an advertisement in the local newspaper, when that local government doesn't have a website, when a developer or project manager applies to the Kentucky Housing Corporation for the federal tax credit. The advertisement must be made within five business days of receiving the notice. According to KHC, there are around 50-60 applications received during an application cycle each year. The local government is allowed to recoup the actual cost of the advertisement from the person submitting the application. If there is a website for that local government, then the bill would require an advertisement to be placed on the website for at least 21 days.

This bill would also require a local government to hold a public hearing on a project requesting a reservation of the low-income housing tax credit, if it receives a request from an interested party within three weeks of the publication of the notice. The local government must also send a copy of the minutes and any supporting documentation presented at the hearing to the KHC.

## Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

Subsection (2) of section 1 contains the publication requirements. The cost of implementing this advertisement requirement is expected to have **no to minimal negative impact** for local governments. Since the cost of advertising can be recouped from the applicant, the main source of cost would relate to the administrative burden to the local government. This would include ensuring the website information was available for the correct number of days and forwarding a copy of the advertisement or notice to the Kentucky Housing Corporation. With only 50-60 applicants a year and the ability to recoup newspaper advertising costs, the impact should be minimal.

Subsection (4) of section 1 contains the hearing requirements. The hearings likely wouldn't add any additional costs since the city could hold the hearings immediately preceding a regular meeting. A minimal administrative burden would apply to the local government sending to the Kentucky Housing Corporation a copy of the minutes from the hearing and any supporting documentation presented at the meeting.

**Data Source(s):** <u>LRC Staff, KLC, KHC</u>

Preparer: Dale Hardy Reviewer: JWN	Date:	3/10/16
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