



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: HB 248 HLS 18RS 365
Bill Text Version: ORIGINAL
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: March 15, 2018 1:20 PM
Author: CREWS
Dept./Agy.: Local Government
Subject: Tax/Ad Valorem-Exemption
Analyst: Benjamin LeBlanc

TAX/AD VALOREM TAX OR SEE FISC NOTE LF RV Page 1 of 1
(Constitutional Amendment) Authorizes a local option for local governments to establish percentages of fair market value for property classifications used in determining the assessed valuation of property for purposes of ad valorem tax

Purpose of Bill: The bill would amend Article VII, Section 18(A) and (B) of the Constitution of Louisiana, relative to ad valorem tax. The bill provides for parishes, or municipal governing authorities, to establish a percentage of fair market value, other than the standard statewide percentage, to be used in the valuation of property classes within their parish, or municipal taxing jurisdiction. If the option is exercised by a parish or local governing authority, that option would be subject to vote by the electors in that taxing jurisdiction.

This proposed Constitution Amendment is to be submitted to the electors at the statewide election to be held on November 6, 2018.

Table with 7 columns: EXPENDITURES, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

Table with 7 columns: REVENUES, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

There may be an increase in local government expenditures as parishes and/or municipalities hold elections for voter approval to establish new percentages of fair market value, but the impact is indeterminable at this time.

The election on November 6, 2018, is a statewide election. The addition of constitutional amendments will not increase election costs unless the number of constitutional amendments exceeds 10 amendments. However, local government expenditures may increase due to election costs as parish and/or municipal governing authorities choose to exercise the option provided for by this bill. Without more specifics regarding these elections, it would be very difficult to provide an overall cost estimate at this time.

REVENUE EXPLANATION

This bill's impact on local government revenues statewide is indeterminable.

Local government revenues may increase or decrease depending on whether parishes and/or municipal governing authorities choose to establish a percentage of fair market value that is greater than or less than the standard statewide percentages provided for in current law. However, without more details regarding how many local entities will choose to establish new percentages and by what amounts, it would be very difficult to provide an overall revenue impact estimate at this time.

Also, aggregate tax receipts in any particular locale may not be fully affected though, as millage adjustments and reassessments may offset all or a portion of the change in assessed values of applicable properties. In such cases, a redistribution of tax liabilities may maintain prior year collection amounts.

Senate Dual Referral Rules
13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Signature of Bradley Cryer
Bradley Cryer
Director of Local Government