

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 468** HLS 18RS 777  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> March 26, 2018 6:13 PM	<b>Author:</b> LEGER
<b>Dept./Agy.:</b> Local Governments / La Tax Commission	<b>Analyst:</b> Greg Albrecht
<b>Subject:</b> Phase-In Residential Property Reappraisal Increases	

TAX/AD VALOREM TAX OR SEE FISC NOTE LF RV See Note Page 1 of 1  
 Provides relative to phasing in ad valorem tax assessment increases under certain circumstances

Present law requires all property to be reappraised and valued at intervals of not more than four years.

Proposed law provides an even three-year phase-in for assessed value increases of property resulting from reappraisals, if the assessed value of the property increases by more than 15%. This phase-in does not apply to valuation increases attributable to construction on or improvements to property.

Effective January 1, 2019, but contingent upon adoption of the constitutional amendment contained in HB 463 of this session, to be submitted to the electors at the statewide election to be held on November 6, 2018.

<b>EXPENDITURES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

**REVENUE EXPLANATION**

The bill phases in property tax increases for all properties that experience more than a 15% increase in assessed value from general reappraisals, by phasing in the assessed valuation increase evenly over the subsequent three years.

According to the La Tax Commission, a greater than 15% assessment increase over a four-year period can likely occur. Thus, widespread effectiveness of this bill's provisions may occur relatively frequently, especially under circumstances where assessments may be catching up from under-valuation associated with previous reappraisals. In those cases, the provisions of this bill would be effective, resulting in a phased-in assessment increase. This phase-in diminishes the local tax base from what it would otherwise be during the phase-in period. Local tax recipient bodies may not realize diminished tax collections, to the extent millage adjustments occur.

However, it is unclear if the bill is consistent with the companion constitutional amendment contained in HB 463, upon which this bill is contingent, which appears to restrict millage adjustments under the circumstances of this bill.

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}

**John D. Carpenter**  
**Legislative Fiscal Officer**