

**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 573** HLS 21RS 595
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: June 15, 2021 8:19 AM	Author: STEFANSKI
Dept./Agy.: LA Tax Appeals and LA Tax Commission	
Subject: Administration, Review & Adjudication of Ad Valorem Taxes	Analyst: Monique Appeaning

TAX COMMISSION, STATE EN SEE FISC NOTE SG EX See Note Page 1 of 1
 Provides for the administration, review, and adjudication of ad valorem tax assessments

Proposed law changes the number of members on the Local Tax Division Nominating Committee from eight to ten and expands qualifications thereof. Proposed law expands the jurisdiction of the board. Proposed law amends and adds to the definition of "local collector." Proposed law adds to present law "suits to recover taxes paid under protest" to the "filing of petitions." Proposed law adds relevant parties aggrieved by specific actions to the "filing of petitions." Proposed law amends "determination of which appellate court has jurisdiction." Proposed law amends "effect of final judgment;" "escrow account;" "notice of valuation, hearings, appeals;" "corrections and changes;" "review of appeals by tax commission;" "judicial review;" "refund of taxes erroneously paid;" "suits to recover taxes paid under protest;" and provides for confidentiality of forms. Proposed law repeals R.S. 47:1432(D) in its entirety. Proposed law shall have prospective effect and shall not apply to any case pending before the Louisiana Tax Commission or in any court on 01/01/2021. The remaining provisions of this proposed law are procedural and shall become operative on 01/01/22. Rule-making is subject to legislative oversight.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

The Board of Tax Appeals (BTA) anticipates significant workload changes as its Local Tax Division takes on responsibility for property tax cases. BTA reports that the proposed law may exacerbate a pre-existing need for additional office space. Any other expenses are indeterminable and would depend on case volume and complexity. The agency believes these expenditures could include additional mileage to travel for trials, the expense of court reporters, supplies, and other support.

Proposed law amends and enacts specific provisions in Title 47 related to the Board of Tax Appeals and the Louisiana Tax Commission that provide for the administration, review and adjudication of ad valorem assessments. Proposed law may create a net indeterminable workload impact for the LA Tax Commission, local taxing authorities, and local governing authorities associated with appeals, reviews of appeals and other activities addressed in this measure. The net impact of these changes are indeterminable. The LA Tax Commission reports no expenditure impact. Individual taxing and local governing authorities may realize disparate impacts based on local conditions and individual appeal decisions that are speculative and indeterminable.

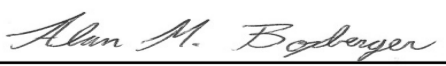
Proposed law provides the **option** to file cases at the BTA as it **extends jurisdiction to the BTA** over legality challenges in property tax and utility property appeals. As amended, the BTA will also be a trial court over appeals from the Louisiana Tax Commission value decisions. Currently, these appeals are tried exclusively in district courts. Value cases are more numerous, with approximately 1,000 per year adjudicated by the Louisiana Tax Commission. However, historically less than 5% are appealed to the courts each year.

The Legislative Fiscal Office cannot corroborate the information reported by the Board of Tax Appeals; however, the proposed law authorizes the Board of Tax Appeals as an option instead of the district court for appeals. Any exposure to the increased cost to the Board of Tax Appeals would depend upon a taxpayer choosing BTA as his or her option to appeal.

REVENUE EXPLANATION

Proposed law may result in an indeterminable increase in SGR revenue to the BTA from case filing fees. The BTA charges the same amount as for a case filed in district court (\$450). This bill provides the option to file cases at the BTA. The bill extends jurisdiction to the BTA over legality challenges in property tax and utility property appeals. The Local Tax Division does not receive any SGF appropriations. Local funding sources are used to the extent that expenses are not covered by additional self-generated revenue from case filing fees.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}


Alan M. Boxberger
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