

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 366** HLS 25RS 935
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ SEN COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: May 19, 2025 7:31 PM	Author: DESHOTEL
Dept./Agy.: Local taxing authorities	Analyst: Deborah Vivien
Subject: Optional state payment for exemption or FMV reduction	

TAX/AD VALOREM TAX RE1 SEE FISC NOTE LF RV Page 1 of 1
 (Constitutional Amendment) Authorizes parishes to exempt business inventory from ad valorem taxes and authorizes parishes to reduce the percentage of fair market value applicable to business inventory

Current constitution authorizes local taxing authorities to impose an ad valorem tax on inventory assessed at 15% of fair market value.

Proposed amendment authorizes local governments to lower the percentage of fair market value of inventory subject to ad valorem taxes. Proposed amendment prohibits the state from mandating an ad valorem inventory tax exemption.

Effective with tax years beginning on or after January 1 2027 after voter approval on November 3, 2026.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Annual Total	\$0					\$0

EXPENDITURE EXPLANATION

Impacts are delineated in the enabling legislation HB 365 of 2025 Regular Session.

The Department of State may incur minimal ballot processing costs associated with this measure. As a regular practice, the Department of State typically budgets for up to 10 constitutional amendments and statewide propositions for the fall statewide elections. To the extent the ballot includes more than 10 constitutional amendments and statewide propositions, the Department of State may require additional SGF resources for the November 3, 2026, statewide election. Any expenditure impact would be realized in FY 27.

REVENUE EXPLANATION

To the extent local governments opt to lower the percentage of fair market value of inventory that is taxed, local revenue will decline. Without a stated pattern of adoption, the fiscal impacts of the bill are unknown.

Impacts are delineated in the enabling legislation HB 365 of 2025 Regular Session.

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}

Alan M. Boxberger
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Legislative Fiscal Officer