

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 353** HLS 18RS 476

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 26, 2018 3:59 PM	Author: IVEY
Dept./Agy.: Local Government / La Tax Commission	Analyst: Greg Albrecht
Subject: Ad Valorem Tax Assessment Ratios	

TAX/AD VALOREM TAX OR SEE FISC NOTE LF RV Page 1 of 1
(Constitutional Amendment) Provides with respect to the classification and valuation of property for purposes of ad valorem taxation

Present constitution classifies property subject to ad valorem taxation and establishes assessment ratios applied to fair market value to establish the assessed value tax base for ad valorem taxation (Land 10%, Residential Improvements 10%, Electric Co-Ops 15%, Public Service Property 25%, Other Property 15%).

Proposed constitutional amendment removes the classifications and ratios from the constitution and requires them to be provided by law, including provisions to ensure an equitable assessment of properties statewide. Statutory enactment requires a 2/3 vote of the legislature. Total ad valorem tax collections in the first year after enactment of statutory changes shall not change, and millages shall be adjusted as necessary to accomplish this.

To be submitted to the electors at the statewide election to be held on November 6, 2018. Effective January 1, 2019.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	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	2018-19	2019-20	2020-21	2021-22	2022-23	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

The proposed amendment appears to contemplate a statutory enactment of property classifications and assessment ratios to replace those provided by the present constitution. HB 356 of this session does insert these same classifications and assessment ratios into statute. To that extent, the removal of these provisions from the State Constitution does not change the ad valorem tax base or tax collections.

However, this constitutional amendment is not contingent upon the passage of any other bill, and could be adopted by the electorate without the enactment of statutory replacement provisions, whether those statutory provisions are the same or different from the current constitutional provisions.

Should statutory replacement provisions be enacted, this constitutional amendment requires millage adjustments that prohibit local ad valorem tax collections from changing as a result of the replacement provisions, for one tax year after enactment of those provisions. After that, the effect of the replacement provisions on the ad valorem tax base and collections would be allowed. The dollar effects of those provisions is speculative.

- 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
John D. Carpenter
Legislative Fiscal Officer