

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



Fiscal Note On: **HB 12** HLS 19RS 117

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 22, 2019 11:14 AM	<b>Author:</b> CARTER, S.
<b>Dept./Agy.:</b> Local Government / La Tax Commission	<b>Analyst:</b> Greg Albrecht
<b>Subject:</b> Homestead Exemption	

TAX/AD VALOREM-EXEMPTION OR SEE FISC NOTE LF RV Page 1 of 1  
(Constitutional Amendment) Provides for local option for the homestead exemption

Present constitution provides a statewide homestead exemption of \$7,500 of assessed value.

Proposed constitutional amendment authorizes parish governments to lower the homestead exemption in their respective parishes, with approval of the electorate of the parish. In the year of implementation, millage adjustments are required to maintain the preceding year's ad valorem tax collections. Thereafter millages can be changed or renewed as permitted by law.

To be submitted to the electors at the statewide election to be held on October 12, 2019, and effective January 1, 2020 if approved.

<b>EXPENDITURES</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</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>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</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>	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>					<b>\$0</b>

**EXPENDITURE EXPLANATION**

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

**REVENUE EXPLANATION**

The bill appears to intend to allow parishes the authority to expand their property tax base by lowering the homestead exemption, with approval of their respective electorates. Required millage adjustments in the first year of implementation intend to maintain the same level of aggregate property tax revenue as the year preceding the such an exemption change, but the distribution of tax burden would be changed among property owners. There aggregate property tax revenue could be changed with subsequent millage adjustments, as permitted by current law. The extent to which parish governments and electorates would choose to exercise this authority is speculative. To the extent parish governments and electorates did choose to exercise this authority, the homestead exemption and per mill tax burden on homesteads would vary across parishes.

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**