

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



Fiscal Note On: **HB 206** HLS 20RS 408

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 22, 2020 2:51 PM	<b>Author:</b> HILFERTY
<b>Dept./Agy.:</b> Local Government / La Tax Commission	<b>Analyst:</b> Greg Albrecht
<b>Subject:</b> Local Authority To Increase Homestead Exemption	

TAX EXEMPTIONS/HOMESTEAD OR SEE FISC NOTE LF RV See Note Page 1 of 1  
(Constitutional Amendment) Authorizes local governments to increase the amount of the homestead exemption

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

Proposed constitutional amendment authorizes parish governments to increase the homestead exemption in their respective parishes up to a maximum of \$25,000 of assessed value, by local resolution or ordinance and with approval of the electorate of the parish. Any increase would be effective on January 1 of the calendar year following the year in which the change is approved by the voters. In the year of implementation, upward 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 November 3, 2020.

<b>EXPENDITURES</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</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>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</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 allows parishes the authority to contract their property tax base by raising the homestead exemption, with approval of their respective electorates. Required upward 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 increase, although the distribution of tax burden would be changed among property owners. Thereafter aggregate property tax revenue could be changed with subsequent millage adjustments, as permitted by current law. In addition, new or renewal millages as allowed by law are not affected. 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 would vary across parishes and the tax burden on homesteads and other property subject to ad valorem taxation would vary within parishes.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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