

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 613** HLS 21RS 975

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | | |
|---------------------------------------|---------|-------------------------------|
| Date: May 2, 2021 | 1:07 PM | Author: ROMERO |
| Dept./Agy.: Local Assessors | | Analyst: Greg Albrecht |
| Subject: Fair Market Valuation | | |

TAX/AD VALOREM TAX

OR SEE FISC NOTE LF RV

Page 1 of 1

Provides for the determination of fair market value for purposes of ad valorem property taxation

Proposed law modifies the statutes regarding fair market valuation procedures. Fair market value need not be the highest price estimated, as in current law, but the money-equivalent price under prevailing market conditions. Uniform guidelines shall comply with the International Association of Assessing Officers. Individual characteristics of a property shall be the basis of value. A combination of the market, cost, and income approaches can be utilized. Relevant comparable sales data shall be continuously collected, and have occurred within 24 months of a property valuation. Provides guidance as to considerations for choosing an appraisal procedure. Personal property can not be separately assessed if part of the valuation of real property.

| 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. | \$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 | 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. | \$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

According to the La Tax Commission, the bill codifies currently permitted appraisal practices, and should not change assessed valuations in the state. However, the LA Assessors Association indicates that while the bill may codify certain Tax Commission rules & regulations, it appears to bring current appraisal practices for business real and personal property under a common set of practices that may not appropriately value these properties. The bill also removes the requirement for the highest price estimate in an appraisal, which seems only to work to lower appraised values.

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}

Christopher A. Keaton
Legislative Fiscal Officer