LEGISLATIVE FISCAL OFFICE
Fiscal Note

Louisiana Legislative Fiscal Office — Fiscal Notes

Fiscal Note On: **HB 599** HLS 22RS 208
Bill Text Version: **ENROLLED**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 25, 2022 3:10 PM
Author: BEAULLIEU
Dept./Agy.: Local Ad Valorem Taxing Authorities
Subject: Property Tax exemption for disabled veterans and spouse
Analyst: Deborah Vivien

TAX/AD VALOREM-EXEMPTION EN DECREASE LF RV See Note
(Constitutional Amendment) To provide for a property tax exemption for certain veterans with disabilities

Current Constitution provides a property tax exemption of $7,500 of assessed value with a homestead exemption of $7,500 of assessed value ($15,000 total exemption) for 100% disabled veterans as determined by the US Department of Veterans Affairs and for a surviving spouse who occupies/owns the property. The property assessment and rates are frozen at the level in place when the exemption was awarded and do not impact roll forward millage calculations. Rates are also frozen for 50% or greater disabled veterans with income less than $100,000 annually with annual recertification required. Local voters must approve the exemption.

Proposed Amendment expands the disabled veterans exemption to 100% for 100% disabled veterans and adds exemptions of $4,500 for veterans with disability ratings of 70-99% (total exemption of $12,000 with homestead exemption) and $2,500 for veterans with disability ratings of 50-69% (total exemption of $10,000). The same spousal and freeze provisions as in current law apply. Assuming effective for calendar year 2024, if approved on November 18, 2023

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	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	2022-23	2023-24	2024-25	2025-26	2026-27	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	DECREASE	DECREASE	DECREASE	DECREASE	**$0**
Annual Total	**$0**					**$0**

EXPENDITURE EXPLANATION

Local assessors will be required to verify the exemptions, which appears to be justified with a disability delineation from the US Department of Veterans Affairs.

The Secretary of State may incur minimal ballot processing costs associated with this measure. As a regular practice, the Secretary 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 Secretary of State may require additional SGF resources for the November 8, 2022, statewide election. Any expenditure impact would be realized in FY 23.

REVENUE EXPLANATION

To the extent that voters approve and disabled veterans qualify and apply for the exemption, property tax revenue in those taxing jurisdictions will decrease, depending on the demographics and presence of disabled veterans or qualifying spouses in the parish. The amendment does not specify an effective date, but it is presumed to be the tax year following voter approval, which is calendar year 2024. If approved, Orleans Parish will begin experiencing the declining revenue during the effective year, presumably CY 24; all other parishes will experience the declining revenue beginning in the year following the effective year or CY 25.

The magnitude of the impact is unknown. The average property tax rate in the state is 125 mills. At that rate, the $2,500 exemption would reduce the property tax liability by $312.50 annually and the $4,500 exemption would reduce property tax liability by $562.50. The 100% exemption for those 100% disabled would impact local revenue according to the individual assessments above the $15,000 that is currently exempt. According to the American Community Survey 5-year estimates, there are 54,814 Veterans with a service connected disability rating living in the state. It is not known how many disabled veterans take the homestead exemption in the state and pay property tax nor how many surviving spouses may also qualify for this exemption.

Dual Referral Rules

Senate
- ☐ 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}

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