

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 127** SLS 23RS 148

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action: **w/ HSE COMM AMD**

Proposed Amd.:

Sub. Bill For.:

| | | |
|--|---------|--------------------------------|
| Date: May 23, 2023 | 4:20 PM | Author: DUPLESSIS |
| Dept./Agy.: Local Governments | | Analyst: Deborah Vivien |
| Subject: Provides local option for affordable housing AVT exemption | | |

TAX/AD VALOREM RE1 DECREASE LF RV See Note Page 1 of 1

Constitutional amendment to authorize the local governing authority of each parish to provide a limited ad valorem tax exemption for qualified first responders. (2/3 - CA13s1(A))

Proposed constitutional amendment allows a local option for a \$2,500 property tax exemption for full-time publicly employed first responders who also receive the homestead exemption on residential property in the same parish as the location of their employer. An annual application, including documentation as established by the assessor, is required. First responders are defined in the bill. Any tax revenue reduction due to the exemption must be absorbed by the local authority without an adjustment to millages or assessments to offset.

The bill is effective 1/1/24 for tax years 2024 and beyond.

To be submitted to the electors at the statewide election to be held on October 14, 2023.

| EXPENDITURES | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 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 | | | | | | |

| REVENUES | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 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 | DECREASE | DECREASE | DECREASE | DECREASE | DECREASE | |
| Annual Total | | | | | | |

EXPENDITURE EXPLANATION

If after statewide voter approval, a local governing authority enacts the exemption, local agencies may incur expenses related to the determination, enforcement, and billing related to the exemption.

Any entity that levies or receives a dedication from a millage that is charged against the impacted base could be required to adjust spending to accommodate a decrease in revenue should a portion of the base be exempted from property tax based on the definitions included in the local rule. In the bill, only the local governing authority is authorized to define the exemption.

REVENUE EXPLANATION

To the extent that the local option to exempt \$2,500 in ad valorem taxes for certain publicly employed first responders is enacted, local revenue will decline for any local revenue funded by a millage that is charged against an impacted assessment. The revenue impact will depend on the depth of the exemption and its interpretation as delineated by rule. The fiscal note assumes that, after statewide voter approval, at least one parish opts into the exemption. Though the number of employed in these fields is estimable, data indicating acceptance of homestead exemption by employment type is not available. Also not available is the percentage of defined first responders who live in the same parish as their employer or how any discrepancies will be resolved. For instance, state police and dispatchers are employed throughout the state but the LA State Police is headquartered in East Baton Rouge Parish.

The bill defines first responders as peace officers (sheriffs, police officers, or other persons deputized by proper authority to serve as a peace officer), fire protection personnel, certified EMS personnel, and emergency operators or dispatchers.

Upon voter approval, the bill is effective for Tax Year 2024, which would impact collections in Orleans parish in SFY 24 and all other parishes beginning in SFY 25.

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}

Alan M. Boxberger
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Interim Legislative Fiscal Officer