



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 214** HLS 26RS 285
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 20, 2026 3:04 PM **Author:** HENRY, CHANCE
Dept./Agy.: Tax Commission and Local Governments **Analyst:** Garrett Ordner
Subject: Tax Exemption for Rehabilitated Blighted/Derelict Property

TAX/AD VALOREM-EXEMPTION EN SEE FISC NOTE LF RV See Note Page 1 of 1
 (Constitutional Amendment) Authorizes a property tax exemption for blighted or derelict properties that have been rehabilitated
Proposed constitutional amendment provides for an optional ad valorem tax exemption for blighted or derelict property that has been rehabilitated. Proposed constitutional amendment provides that the legislature shall establish in law the term of the exemption and the conditions, requirements, and procedures necessary for a political subdivision to administer the exemption.

To be submitted to the electors at the statewide election to be held on November 3, 2026. Effective in tax years beginning on or after January 1, 2027.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	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	2026-27	2027-28	2028-29	2029-30	2030-31	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Annual Total	\$0					\$0

EXPENDITURE EXPLANATION
 There is no anticipated direct material effect on governmental expenditures as a result of this measure. Implementation of the exemption will require local tax system adjustments for processing the new exemption, but the cost is not expected to be significant.


REVENUE EXPLANATION
 The impact of the proposed exemption on local property tax revenues is indeterminable and will depend on the extent to which parishes adopt the exemption, the extent to which the proposed exemption causes an increase in rehabilitation of blighted or derelict property, and the magnitude of the subsequent change in property values following rehabilitation.

The proposed constitutional amendment does not specify the amount or duration of the exemption; instead, it provides that the legislature shall establish the term of the exemption and the conditions, requirements, and procedures necessary for a political subdivision to administer the exemption. Because blighted and derelict property values are generally low, revenue impacts would be felt primarily in the form of foregone revenue on the increase in property values pursuant to rehabilitation.

Note that the Louisiana constitution requires parish assessors to reappraise and value property at least every four years, and millages are subsequently adjusted to maintain tax revenues consistent with the prior year despite changes to the tax base. If a parish assessor were to reappraise and value property upon implementation of this exemption, and millages were subsequently adjusted upward, the revenue impacts of the exemption would be borne by the taxpayers rather than being absorbed by the taxing authority.

A significant change in local property tax collections may impact the local effort included in the Minimum Foundation Program (MFP) formula calculation, but any resulting impacts on state MFP funding allocations are indeterminable.

<p><u>Senate</u></p> <p><input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}</p> <p><input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}</p>	<p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}</p> <p><input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p>
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Alan M. Boxberger
 Legislative Fiscal Officer