



OFFICE OF LEGISLATIVE AUDITOR

Fiscal Note

Fiscal Note On: SB 18 SLS 051ES 173
Bill Text Version: ENGROSSED
Opp. Chamb. Action:
Sub. Bill For.:
Proposed Amd.:

Date: November 15, 2005 12:27 PM
Dept./Agy.: Local Government
Subject: Ad Valorem Tax
Author: MOUNT
Analyst: Shawn Dietrich

TAX EXEMPTIONS EG +\$125,000 GF EX See Note Page 1 of 1

Constitutional amendment to authorize retention of the homestead exemption and the special assessment level at its pre-disaster level if the homestead is unoccupied because of damage or destruction by a disaster or emergency if the repaired or Purpose of Bill: Proposes a constitutional amendment that extends the homestead exemption and special assessment level to any qualifying homestead that is damaged or destroyed during a disaster or emergency declared by the governor. The owner must be unable to occupy the homestead on or before December 31st of a future calendar year (for the special assessment) or December 31st of a calendar year (for the homestead exemption) due to such damage or destruction. For the homestead exemption, owners must annually file with their assessors an affidavit of intent to return and reoccupy the homestead within five years from December 31st of the year following the disaster. Owners may receive only one homestead exemption and only one special assessment level. Provides for a statewide election to be held on November 7, 2006.

Table with 7 columns: EXPENDITURES, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

Table with 7 columns: REVENUES, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

This bill could increase state expenditures by approximately \$125,000 in fiscal year 2007 for election expenses.

According to the Secretary of State's office, the total cost of placing the proposed amendment on the November 7, 2006 ballot and publishing the proposal in the 64 official parish journals is about \$125,000. This cost would be prorated among all governing authorities that have items on the ballot. Without knowing the specific details of how many governing authorities will have items on the ballot or the number of precincts involved, a more specific estimate cannot be calculated.

REVENUE EXPLANATION

There is no anticipated direct material effect on local governmental revenues as a result of this measure.

This bill allows home owners already receiving a homestead exemption to continue to receive the exemption even though they cannot occupy the dwelling due to damage or destruction on or before December 31st of a calendar year. To continue to receive the exemption, the homeowner must file an affidavit with the assessor of his intent to return home within 5 years from December 31st of the year following the disaster.

The bill also allows home owners already receiving a special assessment level to keep the special assessment level even though they cannot occupy the homestead on or before December 31st of a future calendar year. The owner must reoccupy the repaired homestead within five years of December 31st of the year following the disaster.

Senate

Dual Referral Rules

House

13.5.1 >= \$500,000 Annual Fiscal Cost

6.8(F) >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

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

Signature of David K. Greer

David K. Greer
Director, Performance Audit