



OFFICE OF LEGISLATIVE AUDITOR

Fiscal Note

Fiscal Note On: HB 148 HLS 051ES 411
Bill Text Version: ENGROSSED
Opp. Chamb. Action: w/ CONF COMM AMD
Sub. Bill For.: HB 64
Proposed Amd.:

Date: November 23, 2005 8:41 AM
Dept./Agy.: Local Government
Subject: Assessment of Damaged Property
Author: ARNOLD
Analyst: Shawn Dietrich

ASSESSORS/PROPERTY ASSMT EGC DECREASE LF RV See Note Page 1 of 2

Changes assessment procedures for property damaged or destroyed by disaster or emergency declared by the governor (Items #40 and 42)

Purpose of Bill: Authorizes parishes (excluding, Jefferson, Orleans, Plaquemines, and St. Bernard) to prorate the ad valorem taxes due for 2005 on property that is destroyed, uninhabitable, or non-operational due to a disaster or emergency declared by the governor, upon request of the property owner. To do this, requires the adoption of a resolution requesting proration by a majority of elected taxing authorities. Also, requires the taxing authorities to provide timely notice of the resolution to the Louisiana Tax Commission. If the tax commission does not receive timely notice, requires assessors to assess such damaged property at fair market value, excluding those parishes for which the assessment rolls were already certified, or were partially or conditionally certified, by the tax commission. Requires the assessments to be reflected on the general assessment rolls, on supplemental rolls, or in change orders and amended grand recaps. Provides that the assessments are not considered reassessments, and do not result in adjustments to ad valorem tax millages. (Continued on p. 2.)

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 local government expenditures by an indeterminate amount.

For those parishes in which property taxes will be prorated, assessors' expenditures could increase because additional personnel would be needed to verify the number of months the properties were uninhabitable, according to one assessor.

For those parishes in which assessments must be made, assessors' expenditures could increase due to the preparation of assessments, supplemental rolls, change orders, and amended grand recaps. Also, the number of appeals by taxpayers could increase, which may result in an increase in expenditures for local review boards, and possibly the court system.

For all other parishes, there should be no fiscal impact.

REVENUE EXPLANATION

This bill could decrease local government revenues by an indeterminate amount.

For those parishes in which property taxes will be prorated, only a portion of the taxes due would be collected, causing a decrease in tax revenues.

For all those parishes in which assessments must be made, the bill does not provide for an adjustment to the ad valorem tax millages. If the assessment results in an overall decrease in property values for a parish or district, tax revenues in that parish or district will decrease. The amount of this decrease cannot be calculated at this time.

For all other parishes, there should be no fiscal impact.

The bill also extends the deadline for the completion and filing of 2005 tax rolls (2006 in Orleans Parish) and the payment of such taxes. These extensions have no fiscal impact.

Senate Dual Referral Rules

13.5.1 >= \$500,000 Annual Fiscal Cost

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

House

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

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



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CONTINUED EXPLANATION from page one:

Extends the deadline for completing and filing tax rolls for 2005 (for 2006 in Orleans Parish) to March 31, 2006 and June 30, 2006 for St. Bernard. Extends the deadline for payment of those taxes to no later than 45 days after the certification and approval of the tax rolls by the Louisiana Tax Commission or December 31, 2005, whichever is later.

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

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