LEGISLATIVE FISCAL OFFICE Fiscal Note								
		Fiscal Note On: HB 444 HLS 17RS 935						
: Legillative	Bill Text Version: ENGROSSED							
Fiscale Opp. Chamb. Action:								
		Proposed Amd.:						
Play in South	Sub. Bill For.:							
Date: May 10, 2017	11:21 AM	Author: SEABAUGH						
Dept./Agy.: Local Governments								

 Subject:
 Payments in Lieu of Ad Valorem Taxes
 Analyst: Greg Albrecht

 TAX/AD VALOREM-EXEMPTION
 EG SEE FISC NOTE LF RV See Note
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 (Constitutional Amendment) Establishes an ad valorem tax exemption for property subject to a cooperative endeavor agreement requiring the property owner make payments in lieu of taxes
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<u>Present constitution</u> enumerates specific properties that are exempt from ad valorem taxation and provides that no other property shall be exempt.

<u>Proposed constitutional amendment</u> adds to the exemptions property subject to a cooperative endeavor agreement as provided by law in which the property owner makes payments in lieu of ad valorem taxes to the extent provided in the agreement.

To be submitted to the electors at the statewide election to be held on October 17, 2017.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	<u>5 -YEAR TOTAL</u>
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0
REVENUES	2017-18	<u>2018-19</u>	2019-20	<u>2020-21</u>	<u>2021-22</u>	<u>5 -YEAR TOTAL</u>
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	<u>\$0</u>	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	<u>\$0</u>
Annual Total	\$0					\$0

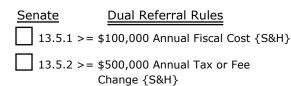
EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

The amendment appears to provide local governments the ability to grant ad valorem tax exemptions in lieu of other payments. Although there may be numerous reasons for both local governments and taxpayers to enter cooperative endeavor agreements to achieve community goals, the utilization of this authority may result in lower local ad valorem tax revenue collections, in that, presumably, taxpayer payments in lieu of ad valorem tax may be lower than the ad valorem tax itself. Otherwise, taxpayers may not be inclined to enter the cooperative endeavor agreements. However the payments in lieu of ad valorem tax may provide resources for particular local projects that might not be available from other sources. Utilization of such agreements is speculative, and the ultimate local government aggregate revenue impacts can not be projected.

Given the bill's ballot date, it seems likely that the earliest fiscal year that could be affected would be FY19 for agreements affecting ad valorem taxes due in late 2018.



<u>House</u> $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}

Firan Brasseaux

Evan Brasseaux Staff Director