

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 238** HLS 19RS 118

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 22, 2019 10:58 AM	Author: CARTER, S.
Dept./Agy.: Local Government / La Tax Commission	Analyst: Greg Albrecht
Subject: Homestead Exemption	

TAX/AD VALOREM-EXEMPTION OR SEE FISC NOTE LF RV See Note Page 1 of 1
Ties the amount of the homestead exemption to the amount authorized in the state constitution

Present law provides a statewide homestead exemption of \$7,500 of assessed value.

Proposed law would conform the statutory establishment of the homestead exemption to the amount allowed in Article VII, Section 20 of the state constitution. This bill is effective January 1, 2020 but is contingent upon approval by the electorate of a constitutional amendment contained in HB 12 of this session. That proposed amendment gives parish governments the authority to lower the homestead exemption in their respective parishes, with approval of the electorate of the parish. In the year of implementation, millage adjustments are required to maintain the preceding year's ad valorem tax collections. Thereafter millages can be changed or renewed as permitted by law.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	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	<u>\$0</u>	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.

REVENUE EXPLANATION

The constitutional amendment proposed by HB 12 and this bill appear intended to allow parishes the authority to expand their property tax base by lowering the homestead exemption, with approval of their respective electorates. Required millage adjustments in the first year of implementation intend to maintain the same level of aggregate property tax revenue as the year preceding the such an exemption change, but the distribution of tax burden would be changed among property owners. There aggregate property tax revenue could be changed with subsequent millage adjustments, as permitted by current law. The extent to which parish governments and electorates would choose to exercise this authority is speculative. To the extent parish governments and electorates did choose to exercise this authority, the homestead exemption and per mill tax burden on homesteads would vary across parishes.

Senate Dual Referral Rules
 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}

John D. Carpenter
Legislative Fiscal Officer