

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 439** HLS 19RS 648

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 26, 2019 2:34 PM	Author: IVEY
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
(Constitutional Amendment) Provides for local option for the homestead exemption

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

Proposed constitutional amendment authorizes parish governments to change the homestead exemption in their respective parishes, with approval of the electorate of the parish. Any change would be effective on January 1 of the year following the year in which the change is approved by the voters. 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.

To be submitted to the electors at the statewide election to be held on October 12, 2019, and effective January 1, 2020 if approved.

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>	<u>\$0</u>
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	<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 bill appears intended to allow parishes the authority to expand or contract their property tax base by lowering or raising 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