

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 545** HLS 20RS 759

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 28, 2020 2:46 PM	Author: HILFERTY
Dept./Agy.: Local Government / La Tax Commission	Analyst: Greg Albrecht
Subject: Homestead Exemption	

TAX EXEMPTIONS/HOMESTEAD OR SEE FISC NOTE LF RV See Note Page 1 of 1
Provides that the homestead exemption is the amount authorized in the 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 contingent upon approval by the electorate of a constitutional amendment contained in HB 206 of this session. If approved the bill authorizes parish governments to increase the homestead exemption in their respective parishes up to a maximum of \$25,000 of assessed value, by local resolution or ordinance and with approval of the electorate of the parish. Any increase would be effective on January 1 of the calendar year following the year in which the change is approved by the voters. In the year of implementation, upward 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	2020-21	2021-22	2022-23	2023-24	2024-25	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	2020-21	2021-22	2022-23	2023-24	2024-25	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 constitutional amendment proposed by HB 206 and this bill appear intended to allow parishes the authority to reduce their property tax bases by increasing 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. Thereafter, 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 the authority in HB 206, the homestead exemption would vary across parishes and the tax burden on homesteads and other property subject to ad valorem taxation would vary within 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