

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HCR 50** HLS 22RS 1033

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 3, 2022	10:00 AM	Author: NEWELL
Dept./Agy.: Legislature		Analyst: Deborah Vivien
Subject: Study of Ad Valorem tax phase-in		

TAX/PROPERTY

EG INCREASE GF EX See Note

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Requests a study of the practicality and feasibility of phasing-in property tax increases when a property's assessed value increases after reassessment by a percentage of less than fifty percent of the previous year's assessed value

The proposed concurrent resolution requests House Ways and Means and Senate Revenue and Fiscal Affairs Committee Chairmen to establish a joint subcommittee made up of up to 3 members from each chamber to study the phasing-in of property tax increases from the quadrennial reassessment when the assessment increases by less than 50% of the previous year's value. A four year phase-in of an increased assessment is currently mandatory if the assessment increases by 50% or more of the previous year's value due to the quadrennial reassessment. The subcommittee will submit a report to the legislature prior to the 2023 Regular Session.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	\$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

REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	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

EXPENDITURE EXPLANATION

The proposed concurrent resolution will result in an indeterminable increase in SGF expenditures in FY 23.

The legislative per diem rate of \$168 and the cost of related benefits (7.65% includes FICA 6.2% and Medicare 1.45%) is approximately \$13 for a daily cost of approximately \$181/day. As a maximum, if the newly established subcommittee has 6 members present, each meeting day would cost \$1,086 (\$181 x 6) plus mileage reimbursement, which is approximately \$0.56 per mile. The actual impact on expenditures is indeterminable and will depend upon the number of meeting days held, whether other meetings are occurring on the same day, mileage of the members, etc. The legislative staff will likely absorb any additional duties with existing resources.

REVENUE EXPLANATION

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

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger

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Interim Legislative Fiscal Officer