

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 97** SLS 23RS 311

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 2, 2023	8:24 PM	<b>Author:</b> CARTER, GARY
<b>Dept./Agy.:</b> Local Governments		<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> Provides local option for affordable housing AVT exemption		

TAX/AD VALOREM

EG DECREASE LF RV See Note

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Provides relative to the ad valorem tax exemption in Louisiana for affordable housing. (2/3-CA13s1(A))

Proposed constitutional amendment allows for a local option to exempt any residential property from ad valorem taxation to promote and encourage affordable workforce housing, as defined by local rule. Rules shall include the method of rescinding the exemption if the defined rules are violated. Properties used as rentals for periods of less than 30 days are ineligible. Millages may not be adjusted to accommodate any revenue loss.

To be submitted to the electors at the statewide election to be held on October 14, 2023.

<b>EXPENDITURES</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

  

<b>REVENUES</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>5 -YEAR TOTAL</b>
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Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

The bill appears to authorize a local property tax exemption for potentially any residential unit except short-term rentals, in accordance with a rule promulgated by the governing authority. Depending on the locally adopted rule, local agencies may incur expenses related to the determination, enforcement, and billing related to the exemption, which could be significant depending on the complexity and reach of each local exemption.

Any entity that levies or receives a dedication from a millage that is charged against the residential base could be required to adjust spending to accommodate a decrease in revenue should a portion of the base, possibly very large, be exempted from property tax based on the definitions included in the local rule. In the bill, only the local governing authority is authorized to define the exemption.

**REVENUE EXPLANATION**

To the extent that the local option to exempt all or a portion of ad valorem tax for the encouragement or promotion of affordable housing as defined by the rule of local authorities reduces assessments, local revenue will decline. The revenue impact will depend on the depth of the exemption and its interpretation as delineated by rule. Any local revenue funded by a millage that is charged against the assessment will be reduced, though the rule is promulgated by the governing authority.

With such a wide range of possibilities, assigning a number to the estimate with any degree of accuracy is not possible. The fiscal note assumes that at least one local authority will implement some form of the exemption in the first year of eligibility, should the measure be adopted by voters statewide.

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}

*Alan M. Boxberger*

**Alan M. Boxberger**  
**Interim Legislative Fiscal Officer**