



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 366** HLS 25RS 935

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 16, 2025	12:55 PM	Author: DESHOTEL
Dept./Agy.: Local taxing authorities		
Subject: Optional state payment for exemption or FMV reduction		Analyst: Deborah Vivien

TAX/AD VALOREM TAX

EG SEE FISC NOTE GF EX See Note

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(Constitutional Amendment) Authorizes parishes to exempt business inventory from ad valorem taxes and authorizes parishes to reduce the percentage of fair market value applicable to business inventory

Current constitution authorizes local taxing authorities to impose an ad valorem tax on inventory assessed at 15% of fair market value.

Proposed amendment authorizes local governments to lower the percentage of fair market value of inventory subject to ad valorem taxes. Proposed amendment prohibits the state from mandating an ad valorem inventory tax exemption. Proposed amendment authorizes a one-time state payment to local governments that elect to irrevocably exempt the ad valorem inventory tax to be distributed pro rata to each taxing authority with a levy in the parish. The payment is mandated to occur within 30 days of LDR certification of the election of the exemption.

Effective with tax years beginning on or after January 1 2027 after voter approval on November 3, 2026.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	\$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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0				\$0	\$0

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	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	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Annual Total	\$0					\$0

EXPENDITURE EXPLANATION

Impacts are delineated in the enabling legislation HB 365 of 2025 Regular Session.

The Department of State may incur minimal ballot processing costs associated with this measure. As a regular practice, the Department of State typically budgets for up to 10 constitutional amendments and statewide propositions for the fall statewide elections. To the extent the ballot includes more than 10 constitutional amendments and statewide propositions, the Department of State may require additional SGF resources for the November 3, 2026, statewide election. Any expenditure impact would be realized in FY 27.

REVENUE EXPLANATION

Impacts are delineated in the enabling legislation HB 365 of 2025 Regular Session.

Senate

Dual Referral Rules

House

- ☐ 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
- ☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

- ☐ 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
Legislative Fiscal Officer