



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: HB 331 HLS 13RS 870
Bill Text Version: ORIGINAL
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: April 28, 2013 1:10 PM Author: GREENE
Dept./Agy.: LA Tax Commission / Local Government
Subject: Property Tax - Homestead Exemption Shift Analyst: Greg Albrecht

TAX EXEMPTIONS/HOMESTEAD OR +\$40,000,000 LF RV See Note Page 1 of 1
(Constitutional Amendment) Provides with respect to the amount of assessed valuation at which the homestead exemption applies

Currently, the first \$7,500 of assessed value of a homestead is exempt from state, parish, and special ad valorem taxes.

This bill would subject the first \$1,000 of assessed value of every home to property tax, then grant homestead exemption to the next \$7,500 of assessed value. The measure explicitly prohibits a reappraisal of property or an adjustment of millages as a result of this change to the homestead exemption.

To be submitted at the statewide election to be held on November 4, 2014. Effective January 1, 2015.

Table with 7 columns: EXPENDITURES/REVENUES, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

The amount of local property tax revenue affected statewide by changing the homestead exemption in the manner provided by this bill may be approximately \$40 million. This estimate of revenue gain is arrived at from three components of analysis.

It is possible that some homes will not have assessed values of at least \$1,000. To the extent that is the case, the net revenue gain would be somewhat smaller than estimated above.

The second component of this estimate was developed utilizing 2007-2011 American Community Survey 5-year Estimates Census data reporting the number of homes within several value brackets. This distribution was adjusted with LA Tax Commission data to reflect the 2012 number of homestead exemption applications.

- Senate Dual Referral Rules House
13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} 6.8(F) >= \$500,000 Annual Fiscal Cost {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}

Signature of John D. Carpenter
John D. Carpenter
Legislative Fiscal Officer