

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 367** HLS 15RS 438

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 13, 2015 5:39 PM	Author: ARNOLD
Dept./Agy.: Local Government / LA Tax Commission	Analyst: Greg Albrecht
Subject: Define athletic organizations as exempt from property tax	

TAX/AD VALOREM-EXEMPTION OR SEE FISC NOTE LF RV Page 1 of 1
Provides relative to the definition of a nonprofit corporation organized and operated for fraternal purposes for purposes of ad valorem property tax exemptions

Current law {Art. VII, §21} provides that "...the following property and no other shall be exempt from ad valorem taxation:", followed by a listing of various types of property which are exempt from property tax. One of those listed exempt property owned by a nonprofit corporation or association organized and operated exclusively for fraternal purposes.

Proposed law provides a statutory definition for the term "fraternal" to include nonprofit corporations organized for the purposes of promoting and fostering athletic and other like exercises and amusements among its members.

Effective upon governor's signature.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	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

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

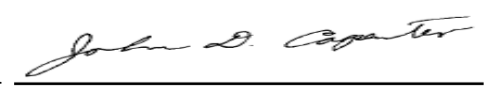
There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

It is not known specifically what property the bill is including in the term "fraternal", but may exempt property from ad valorem taxation that is currently subject to tax. Should that occur, local revenue will be diminished.

However, millage adjustments and/or reassessments may offset the reduction in local tax receipts, essentially resulting in a shifting of the local tax burden to other properties.

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|---|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |


John D. Carpenter
Legislative Fiscal Officer