

LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: **SB 200** SLS 05RS 244

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Sub. Bill For.:

Proposed Amd.:



Date: April 20, 2005 10:16 AM	Author: BAJOIE
Dept./Agy.: Tax Commission	Analyst: Julie A. Samson
Subject: Exempts Works of Art on Consignment from Property Tax	

TAX/LOCAL OR DECREASE LF RV See Note Page 1 of 1
 Constitutional amendment to provide an exemption from the ad valorem tax for consigned art for Orleans Parish. (1/1/07) (2/3-CA13s1(A))

Current law requires the submittal of property tax on works of art on consignment.

Proposed constitutional amendment exempts works of art on consignment in Orleans Parish from property tax.

To be submitted at an election to be held on November 7, 2006. Effective January 1, 2007.

EXPENDITURES	2005-06	2006-07	2007-08	2008-09	2009-10	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>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2005-06	2006-07	2007-08	2008-09	2009-10	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>	DECREASE	DECREASE	DECREASE	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

Proposed constitutional amendment would result in a decrease in revenue for local government entities.

According to the Tax Commission, the majority of the artwork on consignment would primarily be located in the 1st and 2nd municipal districts of Orleans Parish. The Legislative Fiscal Office contacted the Assessors' offices of these two municipal districts and received the following information.

The assessor in the first municipal district of Orleans Parish has began the process of collecting property tax due from art on consignment; however, no revenue has been collected.

The assessor in the second municipal district of Orleans Parish reports collecting property tax due from art on consignment for five years. The tax is due by the owner of the art who has placed the piece on consignment. The tax is calculated by this district by applying a 60% depreciation rate to the art and applying the district's millage to 15% of the remaining value. The second municipal district includes both the New Orleans French Market and New Orleans French Quarter, both housing numerous art galleries handling consignment art. The assessors office was unable to quantify the amount collected from this type of property, but did indicate that the amount could fluctuate significantly from year to year.

Senate

Dual Referral Rules

House

13.5.1 >= \$500,000 Annual Fiscal Cost

6.8(F) >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

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

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