



**OFFICE OF LEGISLATIVE AUDITOR**

**Fiscal Note**

Fiscal Note On: **SB 89** SLS 05RS 294  
 Bill Text Version: **REENGROSSED**  
 Opp. Chamb. Action: **w/ HSE COMM AMD**  
 Sub. Bill For.:  
 Proposed Amd.:

**Date:** June 16, 2005 7:50 AM **Author:** NEVERS  
**Dept./Agy.:** Local government **Analyst:** Shawn Dietrich  
**Subject:** Homestead Exemption

TAX/AD VALOREM RE1 +\$116,000 GF EX See Note Page 1 of 1  
 Adds the homesteads of certain disabled veterans, and those killed in action or who are missing in action or a prisoner of war for over 90 days to the "special assessment level" which freezes their property tax assessments.  
**Purpose of Bill:** Proposes an amendment to the Louisiana Constitution that allows certain disabled veterans, members of the armed forces killed in action or who are missing in action, and prisoners of war for over 90 days to receive a special assessment level which caps the value of their residential properties qualifying for a homestead exemption and prevents any increases in those values. Requires owners under the age of 65 who apply for and receive the special assessment level to certify to their respective assessors that their adjusted gross income for the prior tax year satisfied the income requirement set forth in the Louisiana Constitution. The amendment would be submitted at a statewide election held on November 7, 2006, and would become effective January 1, 2007, if passed.

<b>EXPENDITURES</b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>5 -YEAR TOTAL</u></b>
State Gen. Fd.	\$0	\$116,000	\$0	\$0	\$0	<b>\$116,000</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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u><b>\$0</b></u>
<b>Annual Total</b>	<b>\$0</b>	<b>\$116,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$116,000</b>

<b>REVENUES</b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>5 -YEAR TOTAL</u></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	<u>\$0</u>	<u>\$0</u>	SEE BELOW	SEE BELOW	SEE BELOW	<u><b>\$0</b></u>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

**This bill could increase state expenditures by \$116,000 in fiscal year 2006-07.**

According to the Secretary of State's office, the total cost of placing the proposed amendment on the November 7, 2006, ballot and publishing the proposal in the 64 official parish journals is about \$116,000. This cost would be prorated among all governing authorities that have items on the ballot. Without knowing the specific details of how many governing authorities have items on the ballot or the number of precincts involved, a more specific estimate cannot be calculated.

**REVENUE EXPLANATION**

**This bill would limit the potential increase in future local government revenues by an indeterminate amount.**

Although this bill caps the assessed values of qualifying properties, it does not reduce current tax revenues. Instead, it decreases the possibility of additional future revenues. The values of these properties cannot be increased, therefore taxes would continue to be imposed on the capped values instead of on possible higher values that could have resulted from reassessment. As a result, local taxing bodies would not realize any additional revenues that could have been collected on the higher assessed values.

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

*David K. Greer*

**David K. Greer**  
**Director, Performance Audit**