



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: SB 806 SLS 04- 1273

Bill Text Version: ORIGINAL

Opp Chamb Action:

Sub Bill For: SB 158

Proposed Amd:

Date: April 28, 2004 2:12 PM Author: DUPRE
Dept/Agy: Local Governments / LA Tax Commission
Subject: Homestead Exemption - Homes Owned In Indivision Analyst: Greg Albrecht

TAX EXEMPTIONS OR SEE FISC NOTE LF RV See Note Page 1 of 1

Constitutional amendment to provide for the homestead exemption to certain people, certain land, to property occupied by a surviving spouse. by certain trusts. where usufruct has been granted for a lifetime and under bond for deed contracts.

Currently, the Constitution extends the homestead exemption to a defined bona fide homestead, and to the minor children of a deceased owner so long as title to the home is held by either the husband or wife.

Proposed law requires fair market valuation on land claimed as the homestead rather than use valuation (although existing use valuations can remain in effect). Proposed law makes various changes to insure that the exemption is extended to the surviving spouse or children regardless of how the title to the home is held. Such properties held in indivision are to be held only by blood relatives, relations by adoption, or spouses. Various provisions are included to prevent abuse of the exemption, and only one exemption per person is allowed.

To be submitted at an election to be held in November, 2004.

Table with 7 columns: EXPENDITURES, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 5 YEAR TOTAL. Rows include State General Fd., Agy. Self-Gen., Stat. Deds./Other, Federal Funds, Local Funds, and Annual Total. All values are \$0.

EXPENDITURE EXPLANATION:

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

REVENUE EXPLANATION:

According to the LA Tax Commission and testimony by various assessors and representatives of the LA Assessors Association, most assessors are currently administering the homestead exemption generally consistent with the provisions of this bill, even as the forms or methods of home ownership have been changing or evolving (especially with regard to the various issues of indivision). This bill seems to be largely codifying current practices and thus, it does not appear likely that it significantly affects the local property tax base. However, there may be particular assessors or instances where current practice is not generally consistent with all the provisions of this bill. In those cases, this bill may result in a reduction in the local tax base or a shifting of the tax burden from homesteads to other property. These instances seem likely to be relatively small on a statewide basis, although they could be concentrated in particular jurisdictions.

Dual Referral Rules

Senate

- 13.5.1 >= \$500,000 Annual Fiscal Cost
13.5.2 >= \$500,000 Annual Tax or Fee Change

House

- 6.8(F) >= \$500,000 Annual Fiscal Cost
6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

Handwritten signature of Robert E. Hosse

Robert E. Hosse
ECONOMIST/SECTION DIRECTOR