



**OFFICE OF LEGISLATIVE AUDITOR  
Fiscal Note**

Fiscal Note On: **HB 360** HLS 15RS 1139  
 Bill Text Version: **RE-REENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 29, 2015 6:03 PM	<b>Author:</b> CHANEY
<b>Dept./Agy.:</b> Constitutional Amendment	<b>Analyst:</b> Whit Kling
<b>Subject:</b> Tax/Ad Valorem-Exemption	

TAX/AD VALOREM-EXEMPTION RR INCREASE LF RV See Note Page 1 of 1  
 (Constitutional Amendment) Specifies that the exemption from ad valorem taxation on public property is for land and property owned by this state or a political subdivision of the state

**Purpose of the Bill:** The bill would amend Article VII Section 21(A) of the Constitution. The bill provides that land or property owned by another state or owned by a political subdivision of another state shall not be exempt from ad valorem taxation on public property.

<b>EXPENDITURES</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>5 -YEAR TOTAL</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	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
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Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

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

**REVENUE EXPLANATION**

**This may increase local governmental revenues by an indeterminable amount.**

This bill may allow local governments to receive tax revenue from entities that may now be considered exempt from this ad valorem tax. Due to the lack of information regarding the potential number of local governments that might be affected, the potential statewide impact is indeterminable.

However, we obtained information that provides some indication of potential impact with one local government entity. A recent judicial judgment involving an out-of-state public utility company (with property in Louisiana) and West Carroll Parish ruled that the provisions of Article Section 21(A), as currently worded, did not restrict the exemption to property owned by "Louisiana" or "Louisiana political subdivisions". Therefore, West Carroll Parish was not able to assess, collect, and retain ad valorem tax on property of this public utility. In West Carroll Parish, the impact of this bill would be an increase in ad valorem tax on property of this public utility. West Carroll estimated that an annual increase in local revenue of \$103,000 could result from this bill. This type of situation could exist in other local government entities, but we are unable to determine to what extent and the overall potential fiscal impact at this time.

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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} |

*Michael G. Battle*  
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