

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 505** HLS 16RS 1138

Bill Text Version: **RE-REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 18, 2016 3:35 PM	Author: JOHNSON, M.
Dept./Agy.: La Tax Commission / Local Assessors	Analyst: Greg Albrecht
Subject: Property Tax Exemption	

TAX/AD VALOREM TAX RR SEE FISC NOTE LF RV See Note Page 1 of 1
(Constitutional Amendment) Exempts widows of military personnel killed in the line of duty from payment of any ad valorem taxation on their personal property

Provides an exemption from ad valorem tax on the total assessed value of the homestead of the unmarried surviving spouse of a person who died while on active duty as a member of the U.S. armed forces or the La National Guard, or while performing their duties as a state police officer, or a law enforcement or fire protection officer qualified for state supplemental pay. The property must have been eligible for homestead exemption and was the residence of the deceased when they died. This exemption value can be carried to other subsequent properties, but the surviving spouse must provide annual evidence of their eligibility for the exemption. Applicable beginning in the tax year of the death, but for ad valorem taxes due in 2017 and thereafter.

To be submitted to the electors at the statewide election to be held on November 8, 2016.
Effective December 1, 2016.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	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	2016-17	2017-18	2018-19	2019-20	2020-21	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>	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	<u>\$0</u>
Annual Total	\$0					\$0

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

The number, valuation, and geographical distribution of affected properties can not be readily estimated, but the bill encompasses a variety of qualifying groups across the state including active duty U.S. armed forces members, La National Guard members, state police, law enforcement officers, and fire protection officers. While targeting a fairly narrow type of property, surviving spouses are apparently eligible for the exemption upon the death of the qualified spouse for any reason (other than state police officers who must be performing their duties). In addition, the bill may allow for some retroactive application and claims for tax refunds since the exemption is provided from the tax year in which the death occurred. The effect on the homestead property tax base may still be relatively small, but the bill can only result in a reduction of that tax base.

Combined with other changes in assessed valuation across property types, the result of the bill may be primarily a redistribution of the tax burden away from properties afforded this exemption and onto other properties as millages are adjusted in local jurisdictions.

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {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