

**LEGISLATIVE FISCAL OFFICE**

**Fiscal Note**



Fiscal Note On: **SB 207** SLS 09RS 436  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 1, 2009 12:16 PM	<b>Author:</b> ADLEY
<b>Dept./Agy.:</b> Tax Commission / Local Assessors	
<b>Subject:</b> Special Assessment For Military	<b>Analyst:</b> Greg Albrecht

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Removes the limitation on certain active and retired military personnel receiving the "special assessment level" because their income is above a certain limit. (See Act) (2/3-CA13s1(A))

Current law freezes the assessed value of residential property receiving the homestead exemption for certain persons (65+ years old, certain disabled persons etc.). An income threshold applies for applicants 65 years old or older for their initial eligibility (currently: adjusted gross income of \$64,655 for tax year 2009 or 2010 for Orleans Parish).

Proposed law would allow the special assessment (frozen assessed value) regardless of income to the following: persons 65 or older who are retired from the U.S. armed forces of LA National Guard, persons who have a service-connected disability rating of 50% or more.

To be submitted to the electors at the statewide election on November 2, 2010.

<b>EXPENDITURES</b>	<b><u>2009-10</u></b>	<b><u>2010-11</u></b>	<b><u>2011-12</u></b>	<b><u>2012-13</u></b>	<b><u>2013-14</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>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></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><u>2009-10</u></b>	<b><u>2010-11</u></b>	<b><u>2011-12</u></b>	<b><u>2012-13</u></b>	<b><u>2013-14</u></b>	<b><u>5 -YEAR TOTAL</u></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	<u>\$0</u>	<u>\$0</u>	SEE BELOW	SEE BELOW	SEE BELOW	<b><u>\$0</u></b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

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

**REVENUE EXPLANATION**

The bill removes the income requirement to receive special (frozen) assessment for three groups of homeowners. It seems likely that the bulk of the affected homeowners in these three groups combined are the 65 years old or older retirees from the U.S. armed forces of the LA National Guard, with most those being federal military retirees. Using that subgroup as a proxy for all of these groups combined, the number of additional special assessments that might result from this bill is likely to be relatively small. According to the Military Officers Association of America, there are an estimated 12,250 military retirees in the state who are 65 years old or older (federal military enlisted and officer). Many of these are likely to be eligible for special assessment already, since the median income of householders in this age cohort is about \$50,500. This means one-half of this population are likely to be eligible for special assessment by virtue of their income already because the current income threshold for eligibility is \$64,655. Even the average income of this population of \$66,400 is close to the eligibility threshold suggesting that over one-half are already eligible. Adding La National Guard retirees, 50%+ disability military retirees not 65 or older, and those made eligible by being killed or missing in action or being a POW probably still results in 6,000 or less additional eligibles for special assessment across the state.

Special assessment does not directly or immediately reduce the local property tax base, but does reduce its growth potential over time. Diminished aggregate growth potential resulting from expanded special assessment may ultimately result in shifting of the tax burden to other taxpayers not receiving the benefit of special assessment.

The Tax Commission obtained special assessment counts from various parishes representing over 50% of the state's homesteads. That sample data suggested that roughly 15% of homesteads in the state are currently receiving special assessment (approximately 170,000). The potential new eligibles allowed by this bill might increase the level of special assessments in the state by some 3.5% from current levels.

Senate Dual Referral Rules

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

*H. Gordon Monk*  
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**Legislative Fiscal Officer**