



**OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note**

Fiscal Note On: **HB 143** HLS 21RS 211

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 28, 2021	9:00 AM	Author: WILLARD
Dept./Agy.: Orleans Parish Taxing Authorities		Analyst: Steven Kraemer
Subject: Limit on Residential Property Reassessed Value Increases		

TAX/AD VALOREM TAX Page 1 of 1
 (Constitutional Amendment) EG SEE FISC NOTE LF RV
 Limits the amount of the increase in the assessed value of certain immovable property in Orleans Parish following reassessment of property for purposes of ad valorem taxes

Purpose of Bill: This bill limits the increase in the reassessed value of residential property subject to homestead exemption in Orleans Parish to 10% of the property's assessed value in the previous year.

The loss of potential property tax revenue resulting from this limit will be absorbed by the affected taxing authorities without creating additional tax liability for other taxpayers. This limit does not apply to valuation increases attributable to transfer or conveyance of ownership of the property nor to increases attributable to construction or improvements to the property.

This proposed Constitutional Amendment is to be submitted to the electors at the statewide election to be held on November 8, 2022, and will be applicable to tax years starting on or after January 1, 2023.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	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	\$0	\$0	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Annual Total	\$0	\$0				\$0

EXPENDITURE EXPLANATION

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

According to an official with Orleans Parish Assessor's Office, this bill will not significantly impact the expenditures of his office.

The election on November 8, 2022, is a statewide election. The addition of constitutional amendments will not increase election costs as the Secretary of State routinely budgets for the cost of constitutional amendments for statewide primary and general elections.

REVENUE EXPLANATION

This bill is not expected to decrease overall local government ad valorem tax revenue, but the bill may decrease the rate at which this revenue grows in future reappraisal years.

According to an official with Orleans Parish Assessor's Office, this bill limits the revenue growth for all tax recipient agencies in Orleans Parish that are funded by ad valorem taxes. This official stated that, for the 2021 tax year, there were approximately 7,021 properties in Orleans Parish subject to the homestead exemption that had an assessed value of more than 10% over the previous year's assessed value.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Michael G. Battle
Michael G. Battle
 Manager, Advisory Services