

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 921** HLS 24RS 1652

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 4, 2024	10:27 AM	Author: HILFERTY
Dept./Agy.: Local Government/Tax Commission		Analyst: Deborah Vivien
Subject: Guidelines for reassessing property after redetermination		

TAX/AD VALOREM TAX OR SEE FISC NOTE LF RV See Note Page 1 of 1
Limits the determination of fair market value of certain real property by an assessor under certain circumstances

Current law directs that all real property must be reappraised and valued at intervals of not more than four years (quadrennial reassessment) but may be reappraised in any year if the character of the property has changed the fair market value or use value, subject to review by parish authority (board of review), Tax Commission and courts. Current law provides for a phase-in of taxes related to reassessments that increase by 50% or more.

Proposed law retains current law and directs that all real property with a determination by a board of review, Tax Commission or final, nonappealable court judgment must utilize the new assessment determination until the quadrennial reassessment occurs. Exceptions are when the fair market value of the property increases by 25% or more or a reduction in the assessment is justified as a result of a change in the condition of the property.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	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	2024-25	2025-26	2026-27	2027-28	2028-29	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The bill does not appear to change reassessment appeal procedures allowed under current law, thus local resources should be sufficient. LA Tax Commission reports that the bill may reduce the number of appeals heard since a value determination is expected to be utilized for subsequent year appraisals instead of requiring annual appeals. In total, over the last 6 years, the LA Tax Commission has heard 343 repeat appeals ranging from 8 in 2018 to 128 in 2020. It is assumed that some number of these repeat appeals may not occur if this bill becomes effective.

REVENUE EXPLANATION

The bill directs the assessor to continue any redetermination of value by a board of review, tax commission or court until the next reappraisal year (with certain exceptions), which could impact local revenue to the extent that assessed values are different in years after an eligible redetermination of value and prior to a mandated reappraisal. Time constraints preclude a reasonable estimate of the number, value or location of properties impacted by this bill across the state.

The bill appears to prohibit the reassessment of a property more than once every four years for properties receiving an eligible redetermination, except those with a fair market value increase in excess of 25% or a reduction in fair market value due to a change in the condition of the property.

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}

Alan M. Boxberger
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Legislative Fiscal Officer