

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 464** HLS 25RS 92

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 8, 2025	12:52 PM	Author: GEYMANN
Dept./Agy.: LED/LA Tax Commission/Local Assessors		Analyst: Deborah Vivien
Subject: Solar facility ITEP prohibition based on in-state panel use		

TAX/AD VALOREM-MFG/EXEMP OR SEE FISC NOTE LF RV Page 1 of 1
(Constitutional Amendment) Limits eligibility of solar facilities from participating in the ad valorem tax exemption program known commonly as ITEP

Current constitution authorizes an Industrial Tax Exemption Program (ITEP) exemption of 80% of ad valorem taxes for manufacturing facilities for 5 years with a 5 year renewal option with state and local approval required.

Proposed amendment prohibits solar generation facilities from receiving the ITEP exemption unless all solar panels used for power generation are manufactured in the state.

Effective upon voter approval on November 3, 2026, for tax year 2027.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	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	2025-26	2026-27	2027-28	2028-29	2029-30	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.

REVENUE EXPLANATION

The bill is effective with tax year 2027, which means the first impacts to local revenue could occur in FY 28. Should any projects be denied ITEP exemptions due to this bill, local revenue will increase. The fiscal note makes no consideration for legal implications of nullifying existing contracts or potential concerns about interstate commerce. Payment In Lieu of Taxes (PILOT) agreements directly with local taxing authorities are not altered by the bill.

LED reports that 9 solar generation projects are currently receiving ITEP benefits with foregone taxes of \$8.2 M and expirations ranging from 2026 to 2031. The projects are located in the parishes of Orleans (expiring in 2026 and not potentially impacted by the bill), Washington, St. James, Morehouse, Calcasieu, East Feliciana and West Baton Rouge (3 projects). It appears that the bill would nullify these existing agreements and any pending applications unless these projects are utilizing 100% solar panels produced in the state for power generation. LED reports knowledge of 1 facility in the state producing solar panels located in Lafayette parish. It is unclear whether it has the production capacity to supply all existing and pending solar projects with panels to comply with the bill within a manageable timeline.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

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