



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: **SB 101** SLS 051ES 412
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:

Sub. Bill For.:
Proposed Amd.:

Date: November 16, 2005 8:20 AM	Author: NEVERS
Dept./Agy.: Local Government	
Subject: Property Tax Credit	Analyst: Shawn Dietrich

TAX/AD VALOREM

OR DECREASE LF RV See Note

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Grants a property tax credit equal to the amount incurred after August 28, 2005 to bring a building or other structure up to building code standards required after the date of original construction because of damage and destruction caused by a **Purpose of Bill:** Grants a property tax credit to the owner of any building or structure that is upgraded to meet building code standards imposed after the date of original construction due to either of the following: (1) destruction or damage caused by overflow, flood, rain, wind, hurricane, tornado, or other disaster as defined in the Louisiana Homeland Security and Emergency Assistance Act; or (2) the building or structure is located within a federally declared disaster area pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The amount of the tax credit is equal to the actual amount of costs incurred to bring the building or structure up to code. The owner must file an affidavit with the tax collector of the parish in which the building or structure is located. In the affidavit, the owner must state an intent to return and reoccupy the building or structure within 2 years from December 31st of the year following the disaster. The owner may apply the credit against any taxes due within 5 years from the date the upgrade is completed. This bill is retroactive to August 28, 2005.

EXPENDITURES	2005-06	2006-07	2007-08	2008-09	2009-10	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	INCREASE	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2005-06	2006-07	2007-08	2008-09	2009-10	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	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION
This bill would increase local government expenditures by an indeterminate amount.

According to representatives of the Louisiana Sheriffs’ Association and the Louisiana Tax Commission, the tax collectors may incur additional administrative costs associated with implementing the tax credits. The amount of these costs cannot be calculated at this time. Because the credits could be applied against taxes over a five-year period, local expenditures could be impacted for up to five years.

REVENUE EXPLANATION
This bill would decrease local government revenues by an indeterminate amount.

The bill provides for a property tax credit equal to the amount incurred after August 28, 2005, to bring a building or structure up to building code standards required after the date of original construction because of damage or destruction caused by a disaster. According to a representative of the Louisiana Tax Commission, the amount of the decrease would depend on factors such as the number of properties upgraded, the severity of the building code standards adopted, and the cost to comply with those standards. If the costs are greater than the taxes due in one year and are able to be applied against taxes over the five-year period, local revenues could be impacted for more than five years.

Senate

☐ 13.5.1 >= \$500,000 Annual Fiscal Cost

☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change

Dual Referral Rules

House

☐ 6.8(F) >= \$500,000 Annual Fiscal Cost

☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

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