



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 269** HLS 25RS 300  
Bill Text Version: **ORIGINAL**  
Opp. Chamb. Action:  
Proposed Amd.:  
Sub. Bill For.:

|                                                                         |          |                                |
|-------------------------------------------------------------------------|----------|--------------------------------|
| <b>Date:</b> April 10, 2025                                             | 12:42 PM | <b>Author:</b> GLORIOSO        |
| <b>Dept./Agy.:</b> Local Government/LA Tax Commission                   |          |                                |
| <b>Subject:</b> Doubles the income limit for the AVT special assessment |          | <b>Analyst:</b> Deborah Vivien |

TAX/AD VALOREM TAX OR DECREASE LF RV See Note Page 1 of 1  
(Constitutional Amendment) Increases the income threshold for purposes of qualifying for the special assessment level

Present constitution authorizes the assessed value of property receiving the homestead exemption and owned and occupied by certain taxpayers to be frozen at the assessment in place when certain eligibility criteria is attained and verified, including federal adjusted gross income below \$100,000 annually, adjusted for inflation beginning in Tax Year 2026. Eligibility is limited to those 65+, veterans with a service-related disability of 50% or more, members (spouses) of armed forces or national guard killed in action, missing in action or prisoner of war, and the permanently and totally disabled.

Proposed constitutional amendment retains current law regarding eligibility criteria for the special assessment freeze but increases the income limit to \$200,000 in Tax Year 2027 and adjusted for inflation beginning in Tax Year 2030.

Effective with Tax Year 2026 upon voter approval at the statewide election to be held on November 15, 2025.

| EXPENDITURES        | 2025-26    | 2026-27    | 2027-28    | 2028-29    | 2029-30    | 5 -YEAR TOTAL |
|---------------------|------------|------------|------------|------------|------------|---------------|
| 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         | \$0        | \$0        | \$0        | \$0        | \$0        | <b>\$0</b>    |
| <b>Annual Total</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b>    |

| REVENUES            | 2025-26    | 2026-27    | 2027-28         | 2028-29         | 2029-30         | 5 -YEAR TOTAL |
|---------------------|------------|------------|-----------------|-----------------|-----------------|---------------|
| 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         | \$0        | \$0        | <b>DECREASE</b> | <b>DECREASE</b> | <b>DECREASE</b> | <b>\$0</b>    |
| <b>Annual Total</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. It is expected by LFO, though not verified by response, that increasing the income limit for the AVT special assessments will require local tax system adjustments that are closely related to the existing special assessment with minimal resources required. The November 15, 2025, election date is currently scheduled as a local election. The Secretary of State reports that it would require an additional \$3 M SGF in FY 26 to convert to a statewide election, though this is not directed in the bill.

**REVENUE EXPLANATION**  
The bill increases the eligibility pool for the special assessment to include all eligible properties owned and occupied by those who qualify under the stated criteria with federal adjusted gross income of \$200,000 or less, which is double the current income limit. The income limit would grow annually by inflation beginning in tax year 30. As income data related to property ownership is not readily available, the magnitude of the repeal of the income requirement cannot be determined. However, the bill can only serve to decrease ad valorem tax revenue collections as a significant number of properties would immediately become eligible for the special assessment on Tax Year 2027 bills and would forgo any increases in assessed value in the future. The annual inflationary adjustment to the income limit will qualify additional properties in the same manner as the current law inflationary adjustment, only from a higher base income thereby further accelerating the qualification path for the special assessment. Local revenue will decrease for any entity funded by a millage or fee that is charged against a special assessment property.

The 2024 Tax Commission Annual Report identifies 422,344 properties currently receiving these special assessments statewide. Tax Year 2024 was a quadrennial reassessment year so the next major impact from the bill would be expected with Tax Year 2028 payments.

A significant change in local property tax collections could impact the local effort included in the MFP calculation, which in turn could impact SGF, depending on the local taxing structure.