



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: **SB 179** SLS 25RS 179

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 25, 2025	5:25 PM	Author: CATHEY
Dept./Agy.: Louisiana Tax Commission & Local Government Entities		
Subject: Allocation of Property Tax Assessments		Analyst: Chris Province

TAX/AD VALOREM

EG SEE FISC NOTE LF RV

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Provides relative to the allocation of ad valorem tax assessed values of certain property. (gov sig)

Purpose of the Bill: The bill changes how the assessed value of certain movable property, owned or used in Louisiana by companies without a residence, domicile, agent, or office in the state, is allocated for property tax purposes. It reallocates this assessed value from East Baton Rouge Parish (EBR) to a statewide distribution based on each parish's share of active railroad track miles.

This reallocation is to be phased in over four years (2026 through 2029).

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$5,000	\$0	\$0	\$0	\$0	\$5,000
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						

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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

This bill may increase Louisiana Tax Commission (LTC) expenditures by \$5,000 in Fiscal Year 2026 and may increase the expenditures of Sheriffs’ offices by a minimal amount.

LTC: Based on information from LTC, there are 327 companies/taxpayers to whom this bill appears to apply. An LTC official indicated that this bill may increase LTC expenditures by up to \$5,000 in Fiscal Year 2026 for software changes necessary to implement the allocation and reporting requirements of the bill, which will be done for each company/taxpayer.


Sheriffs: A Louisiana Sheriffs’ Association official indicated that sheriffs of parishes outside of East Baton Rouge may incur additional expenditures related to mailing additional tax bills. However, this amount is expected to be minimal.

REVENUE EXPLANATION

This bill may shift local revenues, decreasing revenue for certain EBR entities while increasing it for entities in other parishes. However, the exact impact, both overall and for each parish/entity, is currently indeterminable. The following analysis was provided to illustrate the bill’s potential impact on local revenue under specific conditions. For this analysis, we: (1) obtained data from LTC and local entities; (2) allocated the total assessed value of railcars (\$80.33 million) across 56 parishes, including East Baton Rouge, based on each parish’s share of total state rail miles; and (3) calculated and applied average property tax rates (rates received as of March 2024) for each parish.

Year	Impact (EBR)	Impact (Other 55 Parishes)
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FY 2026 (1/4 Phase In)	2,121,696 Decrease	1,822,234 Increase
FY 2027 (2/4 Phase In)	4,243,392 Decrease	3,644,468 Increase
FY 2028 (3/4 Phase In)	6,365,088 Decrease	5,466,701 Increase
FY 2029 (End of Phase In)	8,486,784 Decrease	7,288,935 Increase

Note: The analysis shows a calculated decrease in local revenue due to differences in parish property tax rates used.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	<div> Michael G. Battle Manager, Advisory Services</div>