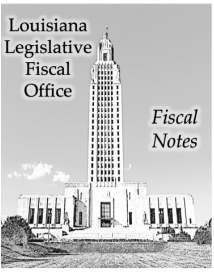


**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 514** HLS 26RS 315  
 Bill Text Version: **ENROLLED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

**Date:** May 21, 2026 1:20 PM **Author:** FARNUM  
**Dept./Agy.:** Tax Commission and Local Governments **Analyst:** Garrett Ordner  
**Subject:** Ad Valorem Exemption for Property Owners Aged 65 and Up

TAX/AD VALOREM-EXEMPTION EN SEE FISC NOTE LF RV See Note Page 1 of 1  
 (Constitutional Amendment) Authorizes an additional ad valorem tax exemption for certain property owners aged sixty-five and older

Proposed constitutional amendment provides for graduated property tax exemptions for property receiving the homestead exemption if the owner qualifies for the special assessment level, with the exemption amount depending on the age of the owner, retaining the existing \$7,500 exemption and adding the next: (1) \$6,000 of the assessed value of the property for persons aged 65 but not yet 69; (2) \$12,000 of the assessed value of the property for persons aged 69 but not yet 73; (3) \$18,000 of the assessed value of the property for persons aged 73 but not yet 77; (4) \$24,000 of the assessed value of the property for persons aged 77 but not yet 81; and (5) \$30,000 of the assessed value of the property for persons aged 81 and older. Proposed constitutional amendment extends eligibility for the exemption to the property if the surviving spouse of an owner claiming the exemption continues to occupy and own or retain a usufruct on the property and is not more than five years younger than the owner. Proposed constitutional amendment authorizes a parish or a municipality to implement the exemption, if it is approved by a majority of the electors of the parish or municipality voting at an election called for the purpose of enacting the exemption. Proposed constitutional amendment requires a taxing authority to absorb any decrease in the amount of property tax collected as a result of the exemption. To be submitted to the electors at the statewide election to be held on 11/3/26.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	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	<b>SEE BELOW</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	

**Annual Total**

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	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	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	\$0

**Annual Total \$0**

**EXPENDITURE EXPLANATION**

There may be indeterminable costs to parish assessors to implement a multi-tier tax exemption where qualifying taxpayers transfer to new tiers as they age, as this will require updated systems and possible data entry. Nearly 200,000 taxpayers currently claim the special assessment level because they are 65 or older, and data they submit on their birthdate will need to be incorporated into calculations to determine the appropriate additional exemption. The Assessor's Association reports that costs associated with upgrades to software or additional data entry needed for implementation are indeterminable but likely absorbable for individual assessors' offices. The LFO assumes costs may be significant at the aggregate, statewide level and may begin prior to the implementation date during FY 28.

**REVENUE EXPLANATION**

Proposed constitutional amendment will result in an indeterminable but significant decrease in ad valorem tax revenues to local taxing authorities to the extent that the exemptions are approved through local elections. The extent of the decrease will depend on the ages of homeowners subject to the exemption as well as the value of their homes.

Currently, the homestead exemption provides owner-occupied homes with a tax exemption on the first \$7,500 of the assessed value of their homestead property (\$75,000 market value). The table below illustrates the exempt market value of homesteads subject to the proposed exemption, other exemptions notwithstanding.

Age	Homestead	Additional Exemption	Total	Exempt Market Value
At least 65 but not yet 69	\$7,500	\$6,000	\$13,500	\$135,000
At least 69 but not yet 73	\$7,500	\$12,000	\$19,500	\$195,000
At least 73 but not yet 77	\$7,500	\$18,000	\$25,500	\$255,000
At least 77 but not yet 81	\$7,500	\$24,000	\$31,500	\$315,000
At least 81	\$7,500	\$30,000	\$37,500	\$375,000

For illustrative purposes, a homeowner aged 65 but not yet 69 receiving \$6,000 in additional tax exemptions, when multiplied by the 2025 statewide average millage of 105 mills, would see a tax reduction of \$630 per year. However, they would only receive the full benefit of the tax exemption if their homestead is worth at least \$135,000.

According to the 2025 Louisiana Tax Commission Annual Report, 184,329 taxpayers received the special assessment level on the basis of being aged 65 or older in 2025. As an illustrative example, if each of these taxpayers' homestead properties received only \$1,000 in additional tax exemptions above the homestead exemption (i.e., their homesteads are worth \$85,000), then at the statewide average millage of 105 mills, the total statewide local revenue loss would equal approximately \$19.4 M.

A significant change in local property tax collections may impact the local effort included in the Minimum Foundation Program (MFP) formula calculation, but any resulting impacts on state MFP funding allocations are indeterminable.

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*  
**Alan M. Boxberger**  
**Legislative Fiscal Officer**