



OFFICE OF LEGISLATIVE AUDITOR

Fiscal Note

Fiscal Note On: HB 501 HLS 05RS 859
Bill Text Version: ORIGINAL
Opp. Chamb. Action:
Sub. Bill For.:
Proposed Amd.:

Date: April 27, 2005 10:21 AM
Author: MARTINY
Dept./Agy.: Public Entities
Subject: Ad Valorem Tax Exemption for Public Property
Analyst: Nicole Edmonson

TAX/AD VALOREM TAX OR +\$125,000 GF EX See Note Page 1 of 1
Provides relative to the exemption from ad valorem taxation for certain public property

Present constitution exempts public lands and public property used for a public purpose from ad valorem taxation. This measure qualifies the present constitution by providing that effective January 1, 2007 public property owned by a political subdivision, but situated outside the territorial limits of the political subdivision, shall be exempt from ad valorem taxation only if the property is used as a place of public gathering such as a public building, facility, structure, or park.

This measure also provides for an election to be held on November 7, 2006.

Table with 7 columns: EXPENDITURES, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

Table with 7 columns: REVENUES, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

This measure will increase state general fund expenditures by \$125,000 in fiscal year 2007 and will increase local fund expenditures by an indeterminable amount during fiscal years 2008 through 2010. According to the Secretary of State's office, the cost of placing the proposed amendment on the November 7, 2006 ballot is approximately \$125,000 for printing absentee, sample, and machine ballots, the printing, packing, and shipping of election supplies, and the cost of publishing the proposed amendment in the 64 parish journals. This estimate is based on a single constitutional amendment and may be reduced by the proration of the costs with other governing authorities with items on the ballot.

In addition, if property that is currently exempt from ad valorem taxation is excluded as a result of this measure, the governmental owner of the property will experience an increase in expenditures. According to the Assistant Director of the LA Tax Commission, there is no way to determine the exact increase in expenditures without knowing the assessed value of the specific property.

REVENUE EXPLANATION

This measure will increase local fund revenues by an indeterminable amount during fiscal years 2008 through 2010. If property that is currently exempt from ad valorem taxation is excluded as a result of this measure, the governmental entity in which the property is situated will receive additional revenue. According to the Assistant Director of the LA Tax Commission, there is no way to determine the exact increase in revenue without knowing the assessed value of the specific property.

Senate Dual Referral Rules
[] 13.5.1 >= \$500,000 Annual Fiscal Cost
[] 13.5.2 >= \$500,000 Annual Tax or Fee Change

House
[] 6.8(F) >= \$500,000 Annual Fiscal Cost
[] 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

Signature of David K. Greer
David K. Greer
Director, Performance Audit