

Regular Session, 2011

HOUSE BILL NO. 463

BY REPRESENTATIVE LEGER

TAX/AD VALOREM-EXEMPTION: (Constitutional Amendment) Authorizes the governing authority for the city of New Orleans or Orleans Parish to reduce a portion of ad valorem tax exemptions for municipal taxes

1

A JOINT RESOLUTION

2 Proposing to add Article VII, Section 21(B)(4) of the Constitution of Louisiana, relative to
3 ad valorem tax exemptions; to authorize the governing authority for the city of New
4 Orleans or Orleans Parish to reduce a portion of certain ad valorem tax exemptions
5 for nonprofit organizations; to provide for certain limitations; to provide for voter
6 approval; to provide for an effective date; to provide for submission of the proposed
7 amendment to the electors; and to provide for related matters.

8 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
9 elected to each house concurring, that there shall be submitted to the electors of the state of
10 Louisiana, for their approval or rejection in the manner provided by law, a proposal to add
11 Article VII, Section 21(B)(4) of the Constitution of Louisiana, to read as follows:

12 §21. Other Property Exemptions

13 Section 21. In addition to the homestead exemption provided for in Section
14 20 of this Article, the following property and no other shall be exempt from ad
15 valorem taxation:

16 * * *

17 (B)

18 * * *

18 Section 3. Be it further resolved that this proposed amendment shall be submitted
19 to the electors of the state of Louisiana at the statewide election to be held on October 22,
20 2011.

21 Section 4. Be it further resolved that on the official ballot to be used at said election
22 there shall be printed a proposition, upon which the electors of the state shall be permitted
23 to vote FOR or AGAINST, to amend the Constitution of Louisiana, which proposition shall
24 read as follows:

25 To authorize the governing authority of the city of New Orleans or Orleans
26 Parish to reduce a portion of the ad valorem tax exemptions for certain
27 nonprofit organizations subject to voter approval; prohibits an exemption
28 from being reduced by more than fifty percent of the assessed value of the
29 property. (January 1, 2012) (Adds Article VII, Section 21(B)(4))

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Leger

HB No. 463

Abstract: Authorizes the governing authority of the city of New Orleans or Orleans Parish to reduce a portion of the ad valorem property tax exemptions for nonprofit organizations for purposes of municipal taxes subject to voter approval.

Present constitution provides for the classification and assessment of property subject to ad valorem taxation. Further provides certain exemptions to ad valorem taxes.

Present constitution authorizes an exemption for property owned by a nonprofit corporation or association organized and operated exclusively for religious, dedicated places of burial, charitable, health, welfare, fraternal, or educational purposes. Further provides for an exemption for property leased to a nonprofit corporation or association for use solely as housing for homeless persons, property of a bona fide labor organization representing its members or affiliates in collective bargaining efforts, and property of an organization such as a lodge or club organized for charitable and fraternal purposes and practicing the same, property of a nonprofit corporation devoted to promoting trade, travel, and commerce, and also property of a trade, business, industry or professional society or association, if that property is owned by a nonprofit corporation or association organized under the laws of this state for such purposes.

Present constitution provides that none of the property of nonprofit corporations or organizations shall be exempt if owned, operated, leased, or used for commercial purposes unrelated to the exempt purposes of the corporation or association.

Proposed constitutional amendment retains present constitution but authorizes the governing authority of the city of New Orleans or Orleans Parish to reduce the ad valorem tax exemptions provided for nonprofit corporations or organizations in present constitution for purposes of the municipal taxes of the city; however, in no case shall the tax exemption be reduced by more than 50% of the assessed value of the property.

Proposed constitutional amendment further provides that a reduction in an ad valorem tax exemption shall be effected unless it is authorized by a resolution or ordinance adopted by the governing authority of the city of New Orleans or Orleans Parish, providing for the extent, conditions, and any limitations on the reduction of the ad valorem property tax exemption. The ordinance or resolution shall only become effective upon the approval of a majority of the electors in Orleans Parish or the city of New Orleans voting in an election held for that purpose. If not approved by the electors, the ordinance proposing the reduction to the ad valorem tax exemption shall have no effect.

Effective Jan. 1, 2012.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Oct. 22, 2011.

(Adds Art. VII, §21(B)(4))