

Regular Session, 2013

HOUSE BILL NO. 514

BY REPRESENTATIVE KLECKLEY AND SENATOR JOHNS

TAX/AD VALOREM TAX: (Constitutional Amendment) Limits increases in ad valorem taxation under certain circumstances

A JOINT RESOLUTION

1
 2 Proposing to amend Article VII, Section 18(A) and (F) of the Constitution of Louisiana, to
 3 provide relative to ad valorem taxation; to provide for the reappraisal of property
 4 subject to ad valorem taxation; to require the phase in of the amount of an increase
 5 in assessed value of certain property following reappraisal under certain
 6 circumstances; to provide for certain limitations; to provide for submission of the
 7 proposed 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
 11 amend Article VII, Section 18(A) and (F) of the Constitution of Louisiana, to read as
 12 follows:

§18. Ad Valorem Taxes

13
 14 Section 18.(A) Assessments. Property subject to ad valorem taxation shall
 15 be listed on the assessment rolls at its assessed valuation, which, except as provided
 16 in Paragraphs (C), (F), and (G), shall be a percentage of its fair market value. The
 17 percentage of fair market value shall be uniform throughout the state upon the same
 18 class of property.

* * *

1 (F) Reappraisal. ~~(1)~~ All property subject to taxation shall be reappraised
2 and valued in accordance with this Section, at intervals of not more than four years.

3 (2)(a) In the year of implementation of a reappraisal of all property as
4 required in Subparagraph (1), solely for purposes of determining the ad valorem tax
5 imposed on such property, if the assessed value of real or immovable property
6 increases by an amount which is greater than fifteen percent of the property's
7 assessed value in the previous year, the assessor shall phase in the amount of the
8 increase in the property's assessed value over a three-year period as follows:

9 (i) In the first year following reappraisal, the assessor shall use the property's
10 assessed value from the previous reappraisal as the base amount and shall increase
11 the assessed value of the property by adding an amount which is equal to one-third
12 of the amount of the increase in the property's assessed value as a result of the
13 reappraisal. This resulting amount shall constitute the property's assessed value
14 solely for purposes of ad valorem taxation for that taxable year.

15 (ii) In the second year following reappraisal, the assessor shall use the
16 property's assessed value from the previous year as the base amount and shall
17 increase the assessed value of the property by adding an amount which is equal to
18 one-third of the amount of the increase in the property's assessed value as a result of
19 the reappraisal. This resulting amount shall constitute the property's assessed value
20 solely for purposes of ad valorem taxation for that taxable year.

21 (iii) In the third year following reappraisal, the assessor shall use the
22 property's assessed value from the previous year as the base amount and shall
23 increase the assessed value of the property by adding an amount which is equal to
24 one-third of the amount of the increase in the property's assessed value as a result of
25 reappraisal. This resulting amount shall constitute the property's assessed value
26 solely for purposes of ad valorem taxation for that taxable year and the full amount
27 of the increase in the assessed value of the property shall be fully phased in.

28 (b) Real or immovable property subject to the provisions of this
29 Subparagraph shall not be subject to reappraisal by an assessor until after the three

1 year phase in of the amount of the increase in the property's assessed value is
2 complete.

3 (c) Notwithstanding any provision of this constitution to the contrary, the
4 increase in assessed valuation of property phased in under this Subparagraph shall
5 be included as taxable property for purposes of any subsequent reappraisals and
6 valuation for millage adjustment purposes under Article VII, Section 23(B) of this
7 constitution. The decrease in the total amount of ad valorem tax collected by a
8 taxing authority as a result of this phase in of assessed valuation shall be absorbed
9 by the taxing authority and shall not create any additional tax liability for other
10 taxpayers in the taxing district as a result of any subsequent reappraisal and valuation
11 or millage adjustment. Implementation of this phase in of increase in assessed
12 valuation authorized in this Subparagraph shall neither trigger nor be cause for a
13 reappraisal of property or an adjustment of millages pursuant to the provisions of
14 Article VII, Section 23(B) of this constitution.

15 (d) The provisions of this Subparagraph shall not apply to the extent the
16 increase was attributable to construction on or improvements to the property.

17 * * *

18 Section 2. 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 November 4,
20 2014.

21 Section 3. Be it further resolved that on the official ballot to be used at the election,
22 there shall be printed a proposition, upon which the electors of the state shall be permitted
23 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
24 follows:

25 Do you support an amendment which will require that any reappraisal of the
26 value of one's property by more than 15%, resulting in a corresponding
27 increase in property taxes, be phased in over the course of three years during
28 which time no additional reappraisal can occur? (Amends Article VII,
29 Section 18(A) and (F))

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)]

Kleckley

HB No. 514

Abstract: Requires the phase in over a three-year period of the amount of an increase in the assessed value of property if, at the time of reappraisal, the property's assessed value increases by greater than 15% of the assessed value in the previous year.

Present constitution requires property subject to ad valorem taxes to be listed on the assessment rolls at its assessed value which is a percentage of its fair market value. Requires all property subject to taxation to be reappraised and valued at intervals of not more than four years.

Proposed constitutional amendment retains the present constitution but provides that in a reassessment year, if the property's assessed value increases by greater than 15% of the amount of the property's assessed value in the previous year, the assessor shall phase in the amount of the increase in the property's assessed value over a three-year period.

Proposed constitutional amendment prohibits property subject to the provisions of this proposed constitutional amendment from being reappraised by an assessor until after the three-year phase in of the increase in the amount of the property's assessed value is complete.

Proposed constitutional amendment provides that the increase in assessed valuation of property phased in shall be included as taxable property for purposes of any subsequent reappraisals and valuation for millage adjustment purposes under present constitution. Further provides that the decrease in the total amount of ad valorem tax collected by a taxing authority as a result of the phase in of assessed valuation shall be absorbed by the taxing authority and shall not create any additional tax liability for other taxpayers in the taxing district as a result of any subsequent reappraisal and valuation or millage adjustment.

Proposed constitutional amendment provides that implementation of the phase in of increase in assessed valuation shall neither trigger nor be cause for a reappraisal of property or an adjustment of millages pursuant to present constitution. Further provides that proposed constitutional amendment shall not apply to the extent the increase was attributable to construction on or improvements to the property.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 4, 2014.

(Amends Const. Art. VII, §18(A) and (F))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Added a provision that the increase in assessed valuation of property phased in shall be included as taxable property for purposes of any subsequent reappraisals and valuation for millage adjustment purposes and the decrease in the total amount of ad valorem tax collected by a taxing authority as a result of this phase in of assessed valuation shall be absorbed by the taxing authority and shall not

create any additional tax liability for other taxpayers in the taxing district as a result of any subsequent reappraisal and valuation or millage adjustment.

2. Added prohibition that implementation of the phase in of increase in assessed valuation shall not trigger nor be cause for a reappraisal of property or an adjustment of millages pursuant to the constitution.
3. Added provision that proposed constitutional amendment shall not apply to the extent the increase in assessed value was attributable to construction on or improvements to the property.