

1 charitable, health, welfare, fraternal, or educational purposes, no part of the net
2 earnings of which inure to the benefit of any private shareholder or member thereof
3 and which is declared to be exempt from federal or state income tax; and

4 **(ii) medical equipment leased for a term exceeding five years to such a**
5 **nonprofit corporation or association which owns or operates a small, rural**
6 **hospital and which uses the equipment solely for health care purposes at the**
7 **hospital, provided that the property shall be exempt only during the term of the**
8 **lease to such corporation or association, and further provided that "small, rural**
9 **hospital" shall mean a hospital which meets all of the following criteria:**

10 **(aa) It has less than fifty Medicare-licensed acute care beds.**

11 **(bb) It is located in a municipality with a population of less than ten**
12 **thousand which has been classified as an area with a shortage of health**
13 **manpower by the United States Health Service; and**

14 * * *

15 Section 2. Be it further resolved that this proposed amendment shall be submitted
16 to the electors of the state of Louisiana at the statewide election to be held on November 7,
17 2006, to become effective January 1, 2007.

18 Section 3. Be it further resolved that on the official ballot to be used at said election
19 there shall be printed a proposition, upon which the electors of the state shall be permitted
20 to vote FOR or AGAINST, to amend the Constitution of Louisiana, which proposition shall
21 read as follows:

22 To exempt from ad valorem property tax medical equipment leased for a
23 term exceeding five years to a nonprofit corporation or association which
24 owns or operates a small, rural hospital and if the equipment is used solely
25 for health care purposes at the hospital; to provide that "small, rural hospital"
26 shall mean a hospital which meets all of the following criteria:

27 (1) It has less than fifty Medicare-licensed acute care beds.

28 (2) It is located in a municipality with a population of less than ten
29 thousand which has been classified as an area with a shortage of health

1 manpower by the United States Health Service. (Article VII, Section
2 21(B)(1)(a))

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Riley Boudreaux.

DIGEST

Present constitution exempts from property tax property owned by a nonprofit corporation or association which is declared to be exempt from federal or state income tax, organized and operated exclusively for (among other purposes) health purposes if no part of its net earnings inure to the benefit of any of its private shareholders or members.

Proposed constitutional amendment exempts from property tax medical equipment leased for a term exceeding five years to such a nonprofit corporation or association which owns or operates a hospital for a term exceeding five years and if the equipment is used solely for health care purposes at the hospital. The exemption is effective only during the term of the lease to such corporation or association. "Small, rural hospital" is defined as a hospital which meets all of the following criteria:

- (1) It has less than 50 Medicare-licensed acute care beds.
- (2) It is located in a municipality with a population of less than 10,000 which has been classified as an area with a shortage of health manpower by the United States Health Service.

Specifies submission of the amendment to the voters at the statewide election to be held on November 7, 2006.

Effective January 1, 2007.

(Amends Const. Art. VII, Sec. 21(B)(1)(a))