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

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Adley (SB 32)

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))