

SENATE BILL NO. 32

BY SENATOR ADLEY

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A JOINT RESOLUTION

Proposing to amend Article VII, Section 21(B)(1)(a) of the Constitution of Louisiana, relative to ad valorem property tax exemption; to provide for an exemption for certain leases of certain hospitals; and to specify an election for submission of the proposition to electors and provide a ballot proposition.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state, for their approval or rejection in the manner provided by law, a proposal to amend Article VII, Section 21(B)(1)(a) of the Constitution of Louisiana, to become effective January 1, 2007, and to read as follows:

§21. Other Property Exemptions

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

\* \* \*

(B)(1)(a)(i) 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, no part of the net earnings of which inure to the benefit of any private shareholder or member thereof and which is declared to be exempt from federal or state income tax; and

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

- 1                   (aa) It has less than fifty Medicare-licensed acute care beds.
- 2                   (bb) It is located in a municipality with a population of less than ten
- 3                   thousand which has been classified as an area with a shortage of health
- 4                   manpower by the United States Health Service; and

\*       \*       \*

6                   Section 2. Be it further resolved that this proposed amendment shall be submitted  
7 to the electors of the state of Louisiana at the statewide election to be held on November 7,  
8 2006, to become effective January 1, 2007.

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

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

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

19                   (2) It is located in a municipality with a population of less than ten  
20 thousand which has been classified as an area with a shortage of health  
21 manpower by the United States Health Service. (Article VII, Section  
22 21(B)(1)(a))

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES