

2017 Regular Session

HOUSE BILL NO. 656

BY REPRESENTATIVE SHADOIN

TAX/AD VALOREM TAX: Imposes a state ad valorem tax and provides for the dedication of the avails of the tax to the TOPS Fund for the support of higher education

1 AN ACT

2 To enact R.S. 47:1701, relative to ad valorem tax; to impose a state ad valorem tax; to
3 provide with respect to assessments, collection, and enforcement of the tax; to
4 provide for disposition of the avails of the tax; to require rulemaking; to provide for
5 effectiveness; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:1701 is hereby enacted to read as follows:

8 §1701. Imposition of state ad valorem tax; administration and enforcement; use of
9 proceeds

10 A. There is hereby levied for state purposes an annual tax of five and three-
11 quarter mills on the dollar of the assessed value of all property situated within the
12 state, with the exception of any property which may be deemed exempt from ad
13 valorem taxation pursuant to the Louisiana Constitution.

14 B. The tax imposed under this Section shall be assessed, collected, and
15 enforced in each parish in the same manner as ad valorem taxes imposed by the
16 respective parish governing authority subject to the provisions of this Subtitle. The
17 Louisiana Tax Commission shall promulgate rules and regulations as may be
18 necessary to implement the provisions of this Section.

1 C. The collector for each parish shall transmit the avails of the tax to the
2 state treasurer for deposit into the state treasury in a manner to be established by rule
3 promulgated by the state treasurer. After satisfaction of the requirements of the
4 Bond Security and Redemption Fund, as provided in Article VII, Section 9(B) of the
5 Louisiana Constitution, the treasurer shall deposit an amount equal to any remaining
6 tax proceeds into the TOPS Fund. In accordance with Article VII, Section
7 10.8(C)(4) of the Louisiana Constitution, any monies in the TOPS Fund attributable
8 to the avails of the tax shall be appropriated exclusively as follows:

9 (1) Full funding of the program for the Taylor Opportunity Program for
10 Students in an amount determined by the Board of Regents to be sufficient for such
11 purpose.

12 (2) After satisfaction of the requirements of Paragraph (2) of this Subsection,
13 any residual monies on deposit in the TOPS Fund that are attributable to the avails
14 of the tax shall be appropriated for the Go Grant Program administered by the Board
15 of Regents.

16 Section 2. For purposes of implementation of this Act, no amounts
17 appropriated from the TOPS Fund derived from the avails of a state ad valorem tax
18 shall supplant or replace appropriations in Fiscal Year 2020 from the state general
19 fund for higher education. To accomplish this purpose, appropriations from the state
20 general fund to 19-671 Board of Regents for Fiscal Year 2020 shall include an
21 appropriation for activities that support the outcomes defined in the funding formula
22 for higher education established by the Board of Regents in an amount equal to or
23 exceeding the amount appropriated from the state general fund for the Taylor
24 Opportunity Program for Students in Fiscal Year 2019.

25 Section 3. The provisions of this Act shall be applicable to any taxable period
26 beginning on or after January 1, 2018.

27 Section. 4. This Act shall become effective July 1, 2017.

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)]

HB 656 Original

2017 Regular Session

Shadoin

Abstract: Imposes a state ad valorem tax of 5.75 on the dollar of assessed valuation of property within the state, dedicates the tax proceeds to the TOPS Fund, and requires a certain level of state general fund support be maintained for higher education in the first year in which proceeds of the tax may be appropriated.

Present constitution establishes the TOPS Fund as a special fund within the Millennium Trust in the state treasury. The source of monies for the fund is a portion of the state revenues derived from the 1998 Master Settlement Agreement with certain tobacco companies, as well as investment earnings thereon.

Present constitution limits state ad valorem taxes to 5.75 mills on the dollar of assessed valuation.

Proposed law imposes an ad valorem tax of 5.75 mills on the dollar of assessed valuation on all property subject to ad valorem taxation in the state, subject to exemptions provided for in present constitution.

Proposed law provides that the tax would be assessed, collected, and enforced in each parish in the same manner as ad valorem taxes imposed by the respective parish governing authority.

Proposed law requires the La. Tax Commission to promulgate rules and regulations as may be necessary to implement the provisions of this Section.

Proposed law requires each parish collector to transmit the avails of the tax to the state treasurer in a manner to be established by rule promulgated by the treasurer. After satisfaction of the requirements of the Bond Security and Redemption Fund, as provided in Art. VII, Sec. 9(B) of the La. Constitution, the treasurer shall deposit an amount equal to any remaining tax proceeds into the TOPS Fund. Monies in the TOPS Fund attributable to the avails of the tax shall be appropriated exclusively as follows:

- (1) Full funding of the program for scholarships for the Taylor Opportunity for Program for Students (TOPS program) in an amount determined by the Board of Regents to be sufficient for such purpose.
- (2) After satisfaction of the requirements for funding of the TOPS program, any residual monies on deposit in the TOPS Fund that are attributable to the avails of the tax shall be appropriated for the Go Grant Program administered by the Board of Regents.

Proposed law provides that for purposes of implementation of proposed law, no amounts appropriated from the TOPS Fund attributable to the avails of the tax shall supplant or replace appropriations in Fiscal Year 2020 from the state general fund for higher education. To accomplish this purpose, appropriations from the state general fund to 19-671 Board of Regents for Fiscal Year 2020 shall include an appropriation for activities that support the outcomes defined in the funding formula for higher education established by the Board of Regents in an amount equal to or exceeding the amount appropriated from the state general fund for the Taylor Opportunity Program for Students in Fiscal Year 2019.

Proposed law shall be applicable for all taxable periods beginning on or after Jan. 1, 2018.

Effective July 1, 2017.

(Adds R.S. 47:1701)