

RÉSUMÉ DIGEST

ACT 221 (HB 366)

2025 Regular Session

Deshotel

Existing constitution requires all property subject to ad valorem tax to be listed on the parish assessment rolls at its assessed valuation which is a percentage of the property's fair market value. Existing constitution requires the percentage of fair market value to be uniform throughout the state on the same class of property and requires assessors to reappraise and value property at intervals of not more than four years.

Existing constitution provides for the different classifications of property which corresponds with a percentage of fair market value applicable to each classification.

Proposed constitutional amendment retains existing constitution with regards to the assessment, listing of properties, and reappraisal of properties but changes the classifications of property by adding a separate classification for business inventory and a separate classification for public service property, excluding land, owned by a railroad company.

Proposed constitutional amendment defines "business inventory" as the aggregate of those items of tangible personal property held for sale in the ordinary course of business, are in the process of production for subsequent sale, or are to physically become a part of the production of such goods.

Proposed constitutional amendment requires the state to make a one-time payment from the Revenue Stabilization Trust Fund (RSTF) to each parish that elects to irrevocably exempt all business inventory within its boundaries from ad valorem tax. Any payment made from the RSTF shall be disbursed by the treasurer within 30 days of receipt of a certification from the secretary of the Dept. of Revenue that the parish has irrevocably elected to exempt business inventory from ad valorem tax to the tax collector of the parish. The tax collector shall distribute the monies pro rata to each taxing authority that levies an ad valorem tax within the parish.

Proposed constitutional amendment requires the amount of the state payment to be calculated as provided by new law and certified by the Dept. of Revenue.

Proposed constitutional amendment authorizes an optional ad valorem property tax exemption on items constituting business inventory as defined in proposed constitutional amendment by reducing the percentage of fair market value applicable to business inventory if the sheriff, school board, and the parish governing authority elect to reduce the percentage of fair market value applicable to business inventory.

Proposed constitutional amendment prohibits the legislature from enacting a law requiring a taxing authority to exempt business inventory from ad valorem tax.

Proposed constitutional amendment shall be applicable to tax years beginning on or after Jan. 1, 2026.

Provides for submission of the proposed amendment to the voters at the statewide election to be held April 18, 2026.

(Amends Const. Art. VII, §§10.15(F)(1) and 18(A) and (B); Adds Const. Art. VII, §§20.1, 20.2, and 21(P))