



1 §21. Other Property Exemptions

2 Section 21. In addition to the homestead exemption provided for in Section  
3 20 of this Article, the following property and no other shall be exempt from ad  
4 valorem taxation:

5 \* \* \*

6 (B)

7 \* \* \*

8 (3) ~~property~~ Property of an organization such as a lodge or club organized  
9 for charitable and fraternal purposes and practicing the same, and property of a  
10 nonprofit corporation devoted to promoting trade, travel, and commerce, and also  
11 property of a trade, business, industry or professional society or association, if that  
12 property is owned by a nonprofit corporation or association organized under the laws  
13 of this state for such purposes.

14 (4) None of the property listed in Paragraph (B) shall be exempt if owned,  
15 operated, leased, or used for commercial purposes unrelated to the exempt purposes  
16 of the corporation or association; however, the exemption provided for in this  
17 Paragraph shall not apply if the property is vacant or not wholly devoted and  
18 exclusively used for the exempt purpose of the corporation or association.

19 (5)(a) Notwithstanding any other provision of this constitution to the  
20 contrary, each exemption established in Subparagraphs (1) through (3) of this  
21 Paragraph, which are referred to hereinafter in this Subparagraph collectively as  
22 "existing exemptions", shall be effective and applicable unless and until a change in  
23 a specific exemption is made by the parish governing authority, and approved by the  
24 electors, as provided in this Subparagraph.

25 (i) Notwithstanding any other provision of this Section to the contrary, the  
26 governing authority of the parish may reduce or otherwise limit ad valorem tax  
27 exemptions provided for in Subparagraphs (1) through (3) of this Paragraph;  
28 however, in no case shall a tax exemption for a particular property be applicable to  
29 less than fifty percent of the assessed value of the property. A reduction or limitation

1 in an ad valorem tax exemption shall not become effective unless it is authorized by  
2 a resolution or ordinance adopted by the parish governing authority, and thereafter  
3 approved by the electors, as required in Item (ii) of this Subparagraph.

4 (ii) A parish governing authority may provide by resolution or ordinance,  
5 hereinafter referred to as "ordinance", for the applicability or extent of any existing  
6 exemption. The ordinance shall designate the specific exemption to be affected, and  
7 an ordinance may contain changes to more than one specific exemption. The  
8 ordinance shall only become effective upon the approval of a majority of the electors  
9 in the parish voting thereon in an election held for that purpose. Any change in an  
10 existing exemption which is approved by the electors shall become effective on the  
11 first day of the calendar year following the year in which it was approved by the  
12 electors, and is deemed to be an instance of implementation of the provisions of this  
13 Subparagraph. If not approved by the electors, an ordinance to effect a change in an  
14 existing exemption shall have no effect.

15 (b) The total amount of ad valorem taxes collected by any taxing authority  
16 in the year in which the provisions of this Subparagraph are implemented shall not  
17 be increased, as a result of such implementation, above the amount of ad valorem  
18 taxes collected in the year preceding the implementation. To accomplish this result,  
19 it shall be mandatory for each affected taxing authority to adjust millages downwards  
20 without regard to millage limitations otherwise contained in this constitution. The  
21 maximum authorized millages shall be decreased in proportion to the amount of  
22 adjustment downward. Thereafter, such millages shall remain in effect unless  
23 changed as permitted by this constitution.

24 \* \* \*

25 Section 2. Be it further resolved that the provisions of the amendment contained in  
26 this Joint Resolution shall become effective on January 1, 2019.

1 Section 3. Be it further resolved that this proposed amendment shall be submitted  
2 to the electors of the state of Louisiana at the statewide election to be held on October 14,  
3 2017.

4 Section 4. Be it further resolved that on the official ballot to be used at said election  
5 there shall be printed a proposition, upon which the electors of the state shall be permitted  
6 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as  
7 follows:

8 Do you support an amendment concerning the ad valorem tax exemption for  
9 property of a nonprofit organization to require that the property be in use  
10 exclusively for the exempt purpose of the organization, and further to  
11 authorize a parish governing authority, with voter approval, to provide by  
12 ordinance with respect to the applicability and extent of such exemptions by  
13 an amount not exceeding 50% of the property value, and in such event to  
14 require a concurrent downward adjustment of millages to reflect any  
15 resulting change in the tax base due to a change in an exemption? (Effective  
16 January 1, 2019) (Amends Article VII, Section 21(B)(3), Adds Article VII,  
17 Section 21(B)(4) and (5))

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#### 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)]

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Abramson

HB No. 449

**Abstract:** Limits eligibility for the ad valorem tax exemption for a nonprofit organization to property that is in use exclusively for the exempt purpose of the organization, and authorizes adjustment of the extent of the tax exemption by the parish governing authority, subject to voter approval, and requiring concurrent downward adjustment of millages to reflect any resulting changes in the tax base.

Present constitution provides for the classification and assessment of property subject to ad valorem taxation. Further provides certain exemptions to ad valorem taxes.

Present constitution authorizes an exemption for property owned by a nonprofit corporation or association organized and operated exclusively for the following purposes:

- (1) Religious.
- (2) Dedicated places of burial.

- (3) Charitable.
- (4) Health and welfare.
- (5) Educational.
- (6) A charitable or fraternal club or lodge.
- (7) Promotion of trade, travel, and commerce.
- (8) A professional society or association for trade, business, or industry.

Present constitution authorizes an exemption for property leased to a nonprofit corporation or association for use solely for the following purposes:

- (1) Housing for homeless persons.
- (2) Property of a bona fide labor organization representing its members or affiliates in collective bargaining efforts.

Present constitution provides that none of the property of nonprofit corporations or organizations shall be exempt if owned, operated, leased, or used for commercial purposes unrelated to the exempt purposes of the corporation or association.

Proposed constitutional amendment retains present constitution and adds an eligibility requirement for the tax exemption for a nonprofit organization shall not apply if the property is vacant or not wholly devoted to and exclusively used for the exempt purpose of the corporation or association.

Proposed constitution adds authority for a parish governing authority, by ordinance and with voter approval, to provide for the applicability or extent of exemptions for nonprofit organizations. A reduction in the amount of a tax exemption shall not exceed fifty percent of the assessed value of the property. Any change in an exemption shall become effective on the first day of the calendar year following the year in which it was approved and shall be deemed to be an implementation of proposed constitution.

Proposed constitution requires that in the year in which the provisions of proposed constitution are implemented, all millages be adjusted downward to prevent any increase in the amount of taxes collected due to the provisions of proposed constitution. To accomplish this result, each taxing authority is required, in any year of implementation, to adjust millages downwards without regard to millage limitations contained in present constitution, and the maximum authorized millages shall be decreased, without further voter approval. Thereafter, such millages shall remain in effect unless changed as permitted by present constitution.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Oct. 14, 2017.

Effective Jan. 1, 2019.

(Amends Const. Art. VII, §21(B)(3), Adds Const. Art. VII, §21(B)(4) and (5))