

2018 Regular Session

SENATE BILL NO. 164

BY SENATOR MORRELL

TAX/AD VALOREM. Constitutional amendment to authorize the phase-in of increases in ad valorem taxation under certain circumstances. (2/3 - CA13s1(A))

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A JOINT RESOLUTION

Proposing to amend Article VII, Section 18(A) and (F) of the Constitution of Louisiana, to provide relative to ad valorem taxation; to provide for the reappraisal of property subject to ad valorem taxation; to require the phase-in of the amount of an increase in assessed value of certain property following reappraisal under certain circumstances; to provide for certain limitations; 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 18(A) and (F) of the Constitution of Louisiana, to read as follows:

§18. Ad Valorem Taxes

Section 18.(A) Assessments. Property subject to ad valorem taxation shall be listed on the assessment rolls at its assessed valuation, which, except as provided in Paragraphs (C), **(F)**, and (G), shall be a percentage of its fair market value. The percentage of fair market value shall be uniform throughout the state upon the same class of property.

1 * * *

2 (F) Reappraisal. (1) All property subject to taxation shall be reappraised and
3 valued in accordance with this Section, at intervals of not more than four years.

4 (2)(a) In the year of implementation of a reappraisal as required in
5 Subparagraph (1) of this Paragraph, solely for purposes of determining the ad
6 valorem tax imposed on residential property, if the assessed value of real or
7 immovable property increases by an amount which is greater than thirty-five
8 percent of the property's assessed value in the previous year, the assessor shall
9 phase-in the amount of the increase in the property's assessed value over a
10 four-year period as follows:

11 (i) In the first year following reappraisal, the assessor shall use the
12 property's assessed value from the previous reappraisal, which shall be called
13 the base amount as used in this Subparagraph, and shall increase the assessed
14 value of the property by adding an amount which is equal to one-fourth of the
15 amount of the increase in the property's assessed value as a result of the
16 reappraisal to the base amount. This resulting amount shall constitute the
17 property's assessed value solely for purposes of ad valorem taxation for that
18 taxable year.

19 (ii) In the second year following reappraisal, the assessor shall increase
20 the assessed value of the property by adding an amount which is equal to
21 one-half of the amount of the increase in the property's assessed value as a
22 result of the reappraisal to the base amount. This resulting amount shall
23 constitute the property's assessed value solely for purposes of ad valorem
24 taxation for that taxable year.

25 (iii) In the third year following reappraisal, the assessor shall increase
26 the assessed value of the property by adding an amount which is equal to
27 three-quarters of the amount of the increase in the property's assessed value as
28 a result of the reappraisal to the base amount. This resulting amount shall
29 constitute the property's assessed value solely for purposes of ad valorem

1 taxation for that taxable year.

2 (iv) In the fourth year following reappraisal, the assessor shall increase
3 the assessed value of the property by adding an amount which is equal to the
4 amount of the increase in the property's assessed value as a result of the
5 reappraisal to the base amount. This resulting amount shall constitute the
6 property's assessed value solely for purposes of ad valorem taxation for that
7 taxable year. This resulting amount shall constitute the property's assessed
8 value solely for purposes of ad valorem taxation for that taxable year and the
9 full amount of the increase in the assessed value of the property shall be fully
10 phased in.

11 (b) Property subject to the provisions of this Subparagraph shall not be
12 subject to reappraisal by an assessor until after the three-year phase-in of the
13 amount of the increase in the property's assessed value is complete.

14 (c) Notwithstanding any provision of this constitution to the contrary, the
15 increase in assessed valuation of property phased in under this Subparagraph
16 shall be included as taxable property for purposes of any subsequent
17 reappraisals and valuation for millage adjustment purposes under Article VII,
18 Section 23(B) of this constitution. The decrease in the total amount of ad
19 valorem tax collected by a taxing authority as a result of this phase-in of
20 assessed valuation shall be absorbed by the taxing authority and shall not create
21 any additional tax liability for other taxpayers in the taxing district as a result
22 of any subsequent reappraisal and valuation or millage adjustment.
23 Implementation of this phase-in of increase in assessed valuation authorized in
24 this Subparagraph shall neither trigger nor be cause for a reappraisal of
25 property or an adjustment of millages pursuant to the provisions of Article VII,
26 Section 23(B) of this constitution.

27 (d) The provisions of this Subparagraph shall not apply to the extent the
28 increase was attributable to construction on or improvements to the property.

29 * * *

1 Section 2. 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 November 6,
3 2018.

4 Section 3. 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 that will require that any reappraisal of the
9 value of residential property by more than 35%, resulting in a corresponding
10 increase in property taxes, be phased in over the course of four years during
11 which time no additional reappraisal can occur and that the decrease in the
12 total ad valorem tax collected as a result of the phase-in of assessed valuation
13 be absorbed by the taxing authority and not allocated to the other taxpayers?
14 (Amends Article VII, Section 18(A) and (F))

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

DIGEST

SB 164 Engrossed 2018 Regular Session Morrell

Present constitution requires property subject to ad valorem taxes to be listed on the assessment roles at its assessed value which is a percentage of its fair market value. Requires all property subject to taxation to be reappraised and valued at intervals of not more than four years.

Proposed constitutional amendment retains the present constitution but provides that in a reassessment year, if any residential property's assessed value increases by greater than 35% of the amount of the property's assessed value in the previous year, the assessor shall phase-in the amount of the increase in the property's assessed value over a four-year period.

Proposed constitutional amendment prohibits property subject to the provisions of this proposed constitutional amendment from being reappraised by an assessor until after the four-year phase-in of the increase in the amount of the property's assessed value is complete.

Proposed constitutional amendment provides that the increase in assessed valuation of property phased in shall be included as taxable property for purposes of any subsequent reappraisals and valuation for millage adjustment purposes under present constitution. Further provides that the decrease in the total amount of ad valorem tax collected by a taxing authority as a result of the phase-in of assessed valuation shall be absorbed by the taxing authority and shall not create any additional tax liability for other taxpayers in the taxing district as a result of any subsequent reappraisal and valuation or millage adjustment.

Proposed constitutional amendment provides that implementation of the phase-in of increase

in assessed valuation shall neither trigger nor be cause for a reappraisal of property or an adjustment of millages pursuant to present constitution. Further provides that proposed constitutional amendment shall not apply to the extent the increase was attributable to construction on or improvements to the property.

Specifies submission of the amendment to the voters at the statewide election to be held on November 6, 2018.

(Amends Article VII, Section 18(A) and (F))