

## HOUSE SUMMARY OF SENATE AMENDMENTS

HB 143

2021 Regular Session

Willard

TAX/AD VALOREM TAX: (Constitutional Amendment) Limits the amount of the increase in the assessed value of certain immovable property in Orleans Parish following reassessment of property for purposes of ad valorem taxes

### Synopsis of Senate Amendments

1. Prohibits the adjusted assessed value of a property from increasing by more than 10% of the previous year's adjusted assessed value. Further prohibits the adjusted assessed value from exceeding the assessed value determined by the most recent reappraisal.
2. Requires the assessed value as determined by the most recent reappraisal before the adjustment in assessed value to be included as taxable property in excess of the homestead exemption for purposes of any subsequent reappraisal and valuation for millage adjustment purposes under the present constitution.
3. Prohibits additional tax liability for other taxpayers in the taxing district as a result of a subsequent reappraisal and valuation or millage adjustment except for the millage adjustment authorized in the present constitution which shall not be in excess of the prior year's maximum authorized millage.
4. Requires, following a transfer or conveyance of the property, the ad valorem taxes on the property to be based on the fair market value of the property as determined at the most recent reappraisal of the property.
5. Requires written notices of tax due issued by the collector to be based on the adjusted assessed value of the property.

### Digest of Bill as Finally Passed by Senate

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.

Present constitution authorizes a four-year phase-in of increases in the assessed value of residential property subject to the homestead exemption if the assessed value of immovable property increases by an amount which is greater than 50% of the property's value in the previous year.

Proposed constitutional amendment retains present constitution but limits, in Orleans Parish only, the amount of the increase in the assessed value of residential immovable property subject to the homestead exemption to no more than 10% of the property's assessed value in the previous year, which shall become the adjusted assessed value. In each year thereafter, the adjusted assessed value shall increase by no more than 10% of the previous year's adjusted assessed value. The adjusted assessed value shall never exceed the assessed value determined by the most recent reappraisal.

Proposed constitutional amendment requires the assessed value of the homestead as determined by the most recent reappraisal before the adjustment in assessed value to be included as taxable property in excess of the homestead exemption for purposes of any subsequent reappraisal and valuation for millage adjustment purposes under the present constitution.

Proposed constitutional amendment provides that the decrease in the total amount of ad valorem tax collected in Orleans Parish as a result of the adjusted 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 except for the millage adjustment authorized in present constitution, which shall not be in excess of the prior year's maximum authorized millage.

Proposed constitutional amendment prohibits implementation of the adjustment to the assessed valuation from triggering or causing a reappraisal of property.

Proposed constitutional amendment shall not apply to the transfer or conveyance of ownership of the property. However, following a transfer or conveyance, the ad valorem taxes on the property shall be based on the fair market value of the property as determined at the most recent reappraisal of the property. Further provides that the provisions of proposed constitutional amendment shall not apply to the extent the increase is attributable to construction on or improvements to the property.

Proposed constitutional amendment requires written notices of tax due issued by the collector to be based on the adjusted assessed value of the property.

Effective Jan. 1, 2023, and applicable to tax years beginning on or after Jan. 1, 2023.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 8, 2022.

(Amends Const. Art. VII, §18(F)(2)(a)(intro. para.); Adds Const. Art. VII, §18(F)(3))