

ACT No. 221

2025 Regular Session

HOUSE BILL NO. 366

BY REPRESENTATIVE DESHOTEL

A JOINT RESOLUTION

Proposing to amend Article VII, Sections 10.15(F)(1) and 18(A) and (B) and to add Article VII, Sections 20.1, 20.2, and 21(P) of the Constitution of Louisiana, relative to ad valorem taxes; to authorize certain payments to certain parishes; to provide for the classification of certain property; to authorize the exemption of certain property under certain circumstances; to provide for effectiveness; to provide for submission of the proposed amendment to the electors; and to provide for related matters.

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 of Louisiana, for their approval or rejection in the manner provided by law, a proposal to amend Article VII, Sections 10.15(F)(1) and 18(A) and (B) and to add Article VII, Sections 20.1, 20.2, and 21(P) of the Constitution of Louisiana, to read as follows:

§10.15. Revenue Stabilization Trust Fund

Section 10.15. Revenue Stabilization Trust Fund. (A) The Revenue Stabilization Trust Fund is hereby established in the state treasury as a special trust fund, hereinafter referred to as the "fund".

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(F)(1) Except as otherwise provided in this constitution and in Subparagraphs (2) and (3) of this Paragraph, no appropriations shall be made from the Revenue Stabilization Trust Fund.

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§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) of this Section and Article VII, Section 21(P) of this Constitution, 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.

(B) Classification. (1) The classifications of property subject to ad valorem taxation and the percentage of fair market value applicable to each classification for the purpose of determining assessed valuation are as follows:

Classifications	Percentages
1. <u>(a)</u> Land	10%
2. <u>(b)</u> Improvements for residential purposes	10%
3. <u>(c)</u> Electric cooperative properties, excluding land	15%
4. <u>(d)</u> Public service properties, excluding land	25%
<u>(e) Public Service property, excluding land, owned</u> <u>by a railroad company</u>	<u>15%</u>
<u>(f) Business inventory</u>	<u>15%</u>
5. <u>(g)</u> Other Property	15%

(2) The legislature may enact laws defining electric cooperative properties and public service properties.

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§20.1. Ad valorem tax; Business inventory tax exemption prohibition

Section 20.1. Notwithstanding any provision of this constitution to the contrary, the legislature shall not enact any law mandating any taxing authority to exempt business inventory from ad valorem tax. For purposes of this Section, "business inventory" means the aggregate of those items of tangible personal property that are held for sale in the ordinary course of business, are currently in the process of production for subsequent sale, or are to physically become a part of the production of such goods.

1 §20.2. Ad Valorem Tax Exemption Funding

2 Section 20.2. There shall be a one-time payment from the Revenue
3 Stabilization Trust Fund to each parish that elects to irrevocably exempt, in
4 accordance with law, all business inventory within its boundaries from ad valorem
5 tax. Any payment made pursuant to this Section shall be disbursed by the treasurer
6 to the tax collector of the parish. The tax collector shall distribute the monies pro
7 rata to each taxing authority that levies an ad valorem tax within the parish. The
8 amount of the payment shall be calculated as provided by law and certified by the
9 Department of Revenue. Notwithstanding any provision of this constitution to the
10 contrary, monies shall be disbursed by the treasurer to the collector within thirty days
11 of receipt of a certification from the secretary of the Department of Revenue that the
12 parish has irrevocably elected to exempt business inventory from ad valorem tax.

13 §21. Other Property Exemptions

14 Section 21. In addition to the homestead exemption provided for in Section
15 20 of this Article, the following property and no other shall be exempt from ad
16 valorem taxation:

17 * * *

18 (P)(1) There shall be an optional ad valorem tax exemption on items
19 constituting business inventory, as defined in Article VII, Section 20.1 of this
20 Constitution. The optional exemption shall only be effective in parishes in which the
21 sheriff, school board, and the parish governing authority all elect to exempt business
22 inventory from ad valorem taxation.

23 (2) A parish may elect to exempt all property constituting business inventory
24 or may elect to provide for a partial exemption of property constituting business
25 inventory by reducing the percentage of fair market value applicable to such property
26 only if all of the following agree to the election: the sheriff, the school board, and the
27 parish governing authority.

28 Section 2. Be it further resolved that the provisions of the amendment contained in
29 this Joint Resolution shall be applicable to tax years beginning on or after January 1, 2026.

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 April 18, 2026.

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

7 Do you support an amendment to allow a parish to reduce or exempt property
8 tax on property held as business inventory and to provide for the
9 classification of Public Service Property? (Amends Article VII, Sections
10 10.15(F)(1) and 18(A) and (B); Adds Article VII, Sections 20.1, 20.2, and
11 21(P))

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE