
DIGEST

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HB 366 Engrossed

2017 Regular Session

Ivey

Abstract: Relative to ad valorem property tax, changes authority for the establishment of property classifications and fair market value percentages from the constitution to as established by law, authorizes adjustment of the amount of the homestead exemption by a parish governing authority with voter approval, and changes the authority to enter into contracts for property tax exemptions for manufacturing establishments from the state to local taxing authorities.

Present constitution authorizes the levy of ad valorem taxes on property within La.

Present constitution provides for the classifications of property and percentages of fair market value to be used in the assessment of property for purposes of ad valorem property taxes.

Proposed constitutional amendment changes present constitution by removing the determination of classifications of property and percentages of fair market value to be used in the assessment of property from the constitution to a requirement that it be established by law. One time millage adjustments are required in instances where classifications of property and percentages of fair market value are changed so as to ensure the same amount of revenue for taxing authorities.

Present constitution establishes an exemption from state, parish, and special ad valorem property taxes for the bona fide homestead of the property owner, for the first \$7,500 of assessed valuation.

Proposed constitutional amendment retains present constitution and adds authorization for a parish governing authority to adjust the amount of the homestead exemption by the adoption of a resolution or ordinance, to be effective only if approved by the electors of the parish. One time millage adjustments are required in instances where the homestead exemption is adjusted so as to ensure the same amount of revenue for taxing authorities.

Present constitution authorizes the State Board of Commerce and Industry to enter into exemption contracts with manufacturing establishments (ITEP contracts), on the terms and conditions of the board. Further requires approval of the contracts by the governor.

Proposed constitutional amendment changes authority to grant these exemptions from the State Board of Commerce and Industry to parish governing authorities to enter into ITEP contracts. Further requires a taxing authority to approve the exemption of its particular millage prior to execution of the exemption contract.

Proposed constitutional amendment authorizes the legislature to provide by law for specific terms

and conditions relative to the exemption provided for in present constitution.

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

(Amends Const. Art. VII, §§18(B) and 21(F); Adds Const. Art. VII, §20(A)(11))