

RÉSUMÉ DIGEST

ACT 718 (SB 164)

2018 Regular Session

Morrell

Present constitution requires property subject to ad valorem taxes to be listed on the assessment rolls 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 the assessed value on residential property subject to the homestead exemption increases by greater than 50% of the amount of the property's assessed value in the previous year, the collector shall phase-in the additional tax liability resulting from the increase in the property's assessed value over a four-year period.

First Year Following Reappraisal

Provides that in calculating the ad valorem taxes on property in the first levy following reappraisal the collector is to use the property's assessed value from the previous year which is the base amount and is to increase the portion of the assessed value of the property used to calculate ad valorem taxes by adding an amount equal to 1/4 of the amount of the increase in the assessed value resulting from reappraisal of the base amount. Provides that the resulting amount constitutes the property's taxable value and is to be used solely for purposes of calculating the ad valorem taxes for the taxable year.

Second Year Following Reappraisal

Collector increases the portion of the assessed value of property used to calculate ad valorem taxes by adding an amount equal to 1/2 of the amount of the increase in the assessed value as a result of the reappraisal to the base amount. Resulting amount constitutes the property taxable value and is used solely for purposes of ad valorem taxes for that taxable year.

Third Year Following Reappraisal

Collector increases the portion of the assessed value of property used to calculate ad valorem taxes by adding an amount equal to 3/4 of the amount of the increase in the assessed value as a result of the reappraisal to the base amount. Resulting amount constitutes the property taxable value and is used solely for purposes of ad valorem taxes for that taxable year.

Fourth Year Following Reappraisal

Collector calculates ad valorem taxes based on the property's full assessed value.

Proposed constitutional amendment provides that the phase-in of additional ad valorem tax liability following reappraisal ceases to apply upon the transfer or conveyance of ownership of the property.

Proposed constitutional amendment prohibits reappraisal by an assessor until after the 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 Const. Art. VII, §18(A) and (F))