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

DIGEST

SB 165 Engrossed 2021 Regular Session Smith

Present law establishes the mechanism by which ad valorem property tax millage rates are automatically adjusted in response to changes in the tax base resulting from reassessment or a change in the homestead exemption. Both the millage rate imposed in the year before the change in the base, as well as the maximum authorized millage rate, are adjusted so that the same amount of taxes is collected in the year after reappraisal as was collected in the prior year.

Present law authorizes an increase in a millage rate up to the prior year's maximum authorized rate by 2/3 vote of its governing body without voter approval. The maximum authorized rate is adjusted every four years due to statewide reassessment and may also be adjusted due to a change in the homestead exemption.

Proposed law allows a taxing authority to increase its millage rate up to the combined maximum authorized millage rate authorized by the constitution and approved by the taxing authority until the authorized millage rate expires beginning in the 2023 ad valorem tax year rather than the present law's maximum authorized rate in effect the prior year.

Proposed law prohibits a taxing authority from increasing the millage rates in excess of their adjusted millage rates established by the Louisiana Legislative Auditor for the 2021 ad valorem tax year and 2020 ad valorem tax year in Orleans Parish.

Effective if and when the proposed amendment of Article 7, Section 23(C) of the Constitution of Louisiana contained in the Act which originated as SB 154 of the 2021 RS is adopted at the statewide election to be held on November 8, 2022, and becomes effective.

(Amends R.S. 47:1705(B)(1)(a) and (b)(i))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Adds bill number of proposed constitutional amendment.