

1 §21. Other Property Exemptions

2 Section 21. In addition to the homestead exemption provided for in Section
3 20 of this Article, the following property and no other shall be exempt from ad
4 valorem taxation:

5 * * *

6 (B)

7 * * *

8 (3) ~~property~~ Property of an organization such as a lodge or club organized
9 for charitable and fraternal purposes and practicing the same, and property of a
10 nonprofit corporation devoted to promoting trade, travel, and commerce, and also
11 property of a trade, business, industry or professional society or association, if that
12 property is owned by a nonprofit corporation or association organized under the laws
13 of this state for such purposes.

14 (4) None of the property listed in Paragraph (B) shall be exempt if owned,
15 operated, leased, or used for commercial purposes unrelated to the exempt purposes
16 of the corporation or association; however, in Orleans Parish the exemption provided
17 for in this Paragraph shall not apply if the property is vacant or not wholly devoted
18 and exclusively used for the exempt purpose of the corporation or association.

19 (5)(a) Notwithstanding any other provision of this constitution to the
20 contrary, each exemption established in Subparagraphs (1) through (3) of this
21 Paragraph, which are referred to hereinafter in this Subparagraph collectively as
22 "existing exemptions", shall be effective and applicable in Orleans Parish unless and
23 until a change in a specific exemption is made by the parish governing authority, and
24 approved by the electors, as provided in this Subparagraph.

25 (i) Notwithstanding any other provision of this Section to the contrary, the
26 Orleans Parish governing authority may reduce or otherwise limit ad valorem tax
27 exemptions provided for in Subparagraphs (1) through (3) of this Paragraph;
28 however, in no case shall a tax exemption for a particular property be applicable to
29 less than fifty percent of the assessed value of the property. A reduction or limitation

1 in an ad valorem tax exemption shall not become effective unless it is authorized by
2 a resolution or ordinance adopted by the parish governing authority, and thereafter
3 approved by the electors in Orleans Parish, as required in Item (ii) of this
4 Subparagraph.

5 (ii) The Orleans Parish governing authority may provide by resolution or
6 ordinance, hereinafter referred to as "ordinance", for the applicability or extent of
7 any existing exemption. The ordinance shall designate the specific exemption to be
8 affected, and an ordinance may contain changes to more than one specific
9 exemption. The ordinance shall only become effective upon the approval of a
10 majority of the electors in Orleans Parish voting thereon in an election held for that
11 purpose. Any change in an existing exemption which is approved by the electors
12 shall become effective on the first day of the calendar year following the year in
13 which it was approved by the electors, and is deemed to be an instance of
14 implementation of the provisions of this Subparagraph. If not approved by the
15 electors, an ordinance to effect a change in an existing exemption shall have no
16 effect.

17 (b) The total amount of ad valorem taxes collected by any taxing authority
18 in Orleans Parish in the year in which the provisions of this Subparagraph are
19 implemented shall not be increased, as a result of such implementation, above the
20 amount of ad valorem taxes collected in the year preceding the implementation. To
21 accomplish this result, it shall be mandatory for each affected taxing authority to
22 adjust millages downwards without regard to millage limitations otherwise contained
23 in this constitution. The maximum authorized millages shall be decreased in
24 proportion to the amount of adjustment downward. Thereafter, such millages shall
25 remain in effect unless changed as permitted by this constitution.

26 * * *

27 Section 2. Be it further resolved that the provisions of the amendment contained in
28 this Joint Resolution shall become effective on January 1, 2019.

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 October 14,
3 2017.

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

8 Do you support an amendment concerning the ad valorem tax exemption for
9 property of a nonprofit organization in Orleans Parish to require that the
10 property be in use exclusively for the exempt purpose of the organization,
11 and further to authorize the Orleans Parish governing authority, with voter
12 approval, to limit or reduce ad valorem tax exemptions for nonprofit
13 organizations by up to 50% of the property value, and in such event to
14 require a concurrent downward adjustment of millages to reflect any
15 resulting change in the tax base due to a change in an exemption? (Effective
16 January 1, 2019) (Amends Article VII, Section 21(B)(3), Adds Article VII,
17 Section 21(B)(4) and (5))

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Abramson

HB No. 448

Abstract: Limits eligibility for the ad valorem tax exemption in Orleans Parish for a nonprofit organization to property that is in use exclusively for the exempt purpose of the organization, and authorizes adjustment of the extent of the tax exemption by the Orleans Parish governing authority, subject to voter approval, and requiring concurrent downward adjustment of millages to reflect any resulting changes in the tax base.

Present constitution provides for the classification and assessment of property subject to ad valorem taxation. Further provides certain exemptions to ad valorem taxes.

Present constitution authorizes an exemption for property owned by a nonprofit corporation or association organized and operated exclusively for the following purposes:

- (1) Religious.

- (2) Dedicated places of burial.
- (3) Charitable.
- (4) Health and welfare.
- (5) Educational.
- (6) A charitable or fraternal club or lodge.
- (7) Promotion of trade, travel, and commerce.
- (8) A professional society or association for trade, business, or industry.

Present constitution authorizes an exemption for property leased to a nonprofit corporation or association for use solely for the following purposes:

- (1) Housing for homeless persons.
- (2) Property of a bona fide labor organization representing its members or affiliates in collective bargaining efforts.

Present constitution provides that none of the property of nonprofit corporations or organizations shall be exempt if owned, operated, leased, or used for commercial purposes unrelated to the exempt purposes of the corporation or association.

Proposed constitutional amendment retains present constitution and adds an eligibility requirement for property in Orleans Parish that the tax exemption for a nonprofit organization shall not apply if the property is vacant or not wholly devoted to and exclusively used for the exempt purpose of the corporation or association.

Proposed constitution adds authority for the Orleans Parish governing authority, by ordinance and with voter approval, to provide for the applicability or extent of exemptions for nonprofit organizations. A reduction in the amount of a tax exemption shall not exceed fifty percent of the assessed value of the property. Any change in an exemption shall become effective on the first day of the calendar year following the year in which it was approved and shall be deemed to be an implementation of proposed constitution.

Proposed constitution requires that in any year in which the provisions of proposed constitution are implemented, all millages in Orleans Parish shall be adjusted downward to prevent any increase in the amount of taxes collected due to the provisions of proposed constitution. To accomplish this result, each taxing authority is required, in any year of implementation, to adjust millages downwards without regard to millage limitations contained in present constitution, and the maximum authorized millages shall be decreased, without further voter approval. Thereafter, such millages shall remain in effect unless changed as permitted by present constitution.

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

Effective Jan. 1, 2019.

(Amends Const. Art. VII, §21(B)(3), Adds Const. Art. VII, §21(B)(4) and (5))