

SENATE BILL NO. 164

BY SENATORS MORRELL AND WALSWORTH

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A JOINT RESOLUTION

Proposing to amend Article VII, Section 18(A) and (F) of the Constitution of Louisiana, to provide relative to ad valorem taxation; to provide for the reappraisal of property subject to ad valorem taxation; to require the phase-in of the amount of an increase in assessed value of certain property following reappraisal under certain circumstances; to provide for certain limitations; and to specify an election for submission of the proposition to electors and provide a ballot proposition.

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, for their approval or rejection in the manner provided by law, a proposal to amend Article VII, Section 18(A) and (F) of the Constitution of Louisiana, to read as follows:

§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), 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.

* * *

(F) Reappraisal. (1) All property subject to taxation shall be reappraised and valued in accordance with this Section, at intervals of not more than four years.

(2)(a) In the year of implementation of a reappraisal as required in Subparagraph (1) of this Paragraph, solely for purposes of determining the ad valorem tax imposed on residential property subject to the homestead exemption as provided in Section 20 of this Article, if the assessed value of immovable property increases by an amount which is greater than fifty percent

1 of the property's assessed value in the previous year, the collector shall phase-in
2 the additional tax liability resulting from the increase in the property's assessed
3 value over a four-year period as follows:

4 (i) For purposes of calculating the ad valorem taxes on the property in
5 the first levy following reappraisal, the collector shall use the property's
6 assessed value from the previous year, which shall be called the base amount as
7 used in this Subparagraph, and shall increase the portion of the assessed value
8 of the property used to calculate ad valorem taxes by adding an amount which
9 is equal to one-fourth of the amount of the increase in the property's assessed
10 value as a result of the reappraisal to the base amount. This resulting amount
11 shall constitute the property's taxable value and shall be used solely for
12 purposes of calculating ad valorem taxes for that taxable year.

13 (ii) For purposes of calculating the ad valorem taxes on the property in
14 the second levy following reappraisal, the collector shall increase the portion of
15 the assessed value of the property used to calculate ad valorem taxes by adding
16 an amount which is equal to one-half of the amount of the increase in the
17 property's assessed value as a result of the reappraisal to the base amount. This
18 resulting amount shall constitute the property's taxable value and shall be used
19 solely for purposes of calculating ad valorem taxes for that taxable year.

20 (iii) For purposes of calculating the ad valorem taxes on the property in
21 the third levy following reappraisal, the collector shall increase the portion of
22 the assessed value of the property used to calculate ad valorem taxes by adding
23 an amount which is equal to three-quarters of the amount of the increase in the
24 property's assessed value as a result of the reappraisal to the base amount. This
25 resulting amount shall constitute the property's taxable value and shall be used
26 solely for purposes of calculating ad valorem taxes for that taxable year.

27 (iv) In the fourth levy following reappraisal, the collector shall calculate
28 ad valorem taxes based on the property's full assessed value.

29 (b) The provisions of this Subparagraph providing for a phase-in of
30 additional ad valorem tax liability following reappraisal shall cease to apply

1 upon the transfer or conveyance of ownership of the property. Following a
 2 transfer or conveyance, the collector shall calculate ad valorem taxes based on
 3 the property's full assessed value.

4 (c) Property subject to the provisions of this Subparagraph shall not be
 5 subject to reappraisal by an assessor until after the four-year phase-in of the
 6 amount of the increase in the property's assessed value is complete.

7 (d) Notwithstanding any provision of this constitution to the contrary,
 8 the increase in assessed valuation of property phased-in under this
 9 Subparagraph shall be included as taxable property for purposes of any
 10 subsequent reappraisals and valuation for millage adjustment purposes under
 11 Article VII, Section 23(B) of this constitution. The decrease in the total amount
 12 of ad valorem tax collected by a taxing authority as a result of this phase-in of
 13 assessed valuation shall be absorbed by the taxing authority and shall not create
 14 any additional tax liability for other taxpayers in the taxing district as a result
 15 of any subsequent reappraisal and valuation or millage adjustment.
 16 Implementation of this phase-in of increase in assessed valuation authorized in
 17 this Subparagraph shall neither trigger nor be cause for a reappraisal of
 18 property or an adjustment of millages pursuant to the provisions of Article VII,
 19 Section 23(B) of this constitution.

20 (e) The provisions of this Subparagraph shall not apply to the extent the
 21 increase was attributable to construction on or improvements to the property.

22 * * *

23 Section 2. Be it further resolved that this proposed amendment shall be submitted
 24 to the electors of the state of Louisiana at the statewide election to be held on November 6,
 25 2018.

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

30 Do you support an amendment that will require that any reappraisal of the

1 value of residential property by more than 50%, resulting in a corresponding
2 increase in property taxes, be phased-in over the course of four years during
3 which time no additional reappraisal can occur and that the decrease in the
4 total ad valorem tax collected as a result of the phase-in of assessed valuation
5 be absorbed by the taxing authority and not allocated to the other taxpayers?
6 (Amends Article VII, Section 18(A) and (F))

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES