

2020 Regular Session

HOUSE BILL NO. 360

BY REPRESENTATIVE HUVAL

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A JOINT RESOLUTION

Proposing to amend Article VII, Section 4(B) of the Constitution of Louisiana, relative to the valuation of oil and gas wells; to authorize the inclusion of the presence and production of oil and gas in a well for the purpose of determining fair market value for ad valorem taxes; to provide for submission of the proposed amendment to the electors; and to provide for related matters.

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 of Louisiana, for their approval or rejection in the manner provided by law, a proposal to amend Article VII, Section 4(B) of the Constitution of Louisiana, to read as follows:

§4. Income Tax; Severance Tax; Political Subdivisions

Section 4.

* * *

(B) Severance Tax. (1) Taxes may be levied on natural resources severed from the soil or water, to be paid proportionately by the owners thereof at the time of severance. Natural resources may be classified for the purpose of taxation. Such taxes may be predicated upon either the quantity or value of the products at the time and place of severance. No further or additional tax or license shall be levied or imposed upon oil, gas, or sulphur leases or rights. No additional value shall be added to the assessment of land by reason of the presence of oil, gas, or sulphur therein or their production therefrom. However, sulphur in place shall be assessed for ad valorem taxation to the person, firm, or corporation having the right to mine or produce the same in the parish where located, at no more than twice the total

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 assessed value of the physical property subject to taxation, excluding the assessed
 2 value of sulphur above ground, as is used in sulphur operations in such parish.
 3 Likewise, the severance tax shall be the only tax on timber; however, standing timber
 4 shall be liable equally with the land on which it stands for ad valorem taxes levied
 5 on the land.

6 (2) Notwithstanding the provisions of Subparagraph (1) of this Paragraph,
 7 the presence of oil or gas or the production thereof, may be included in the
 8 methodology to determine the fair market value of an oil or gas well for ad valorem
 9 taxes.

10 * * *

11 Section 2. Be it further resolved that this proposed amendment shall be submitted
 12 to the electors of the state of Louisiana at the statewide election to be held on November 3,
 13 2020.

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

18 Do you support an amendment to permit the presence or production of oil or
 19 gas to be included in the methodology used to determine the fair market
 20 value of an oil or gas well for the purpose of property assessment? (Amends
 21 Article VII, Section 4(B))

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE