SLS 21RS-74 **ENGROSSED**

2021 Regular Session

SENATE BILL NO. 165

BY SENATOR SMITH

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Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TAX/AD VALOREM. Provides for the adjustments of ad valorem millages. (See Act)

AN ACT

2	To amend and reenact R.S. 47:1705(B)(1)(a) and (b)(i), relative to adjustments of ad
3	valorem millages; to provide for the retention of maximum authorized millage rates;
4	and to provide for related matters.
5	Be it enacted by the Legislature of Louisiana:
6	Section 1. R.S. 47:1705(B)(1)(a) and (b)(i) are hereby amended and reenacted to
7	read as follows:
8	§1705. Information supplied to assessor and legislative auditor by tax recipient
9	agencies; additional notices
	* * *
10	
11	B.(1)(a) Beginning in the 2023 ad valorem tax year, For any taxing
12	authority with a governing authority membership which that is elected by the voters,
13	increases in the millage rate in excess of the rates established as provided by Article
14	VII, Section 23(B) of the Constitution of Louisiana, but not in excess of the prior
15	year's maximum authorized millage rate the combined maximum authorized
16	millage rate authorized by the constitution and approved by the taxing

authority until the authorized millage rate expires and may be levied by

two-thirds vote of the total membership of a taxing authority without further voter approval but only after a public hearing held in accordance with the open meetings law. Maximum millage rates not levied by a taxing authority prior to the 2020 reassessment year, or the 2019 reassessment year for Orleans Parish, shall be permanently reduced to the adjusted maximum millage rate established by the Louisiana Legislative Auditor for the 2021 ad valorem tax year or the 2020 ad valorem tax year in Orleans Parish.

(b)(i) Beginning in the 2023 ad valorem tax year, any Any taxing authority with a governing authority membership which that is not elected by the voters may increase a millage rate in excess of the rates established as provided in Article VII,

with a governing authority membership which that is not elected by the voters may increase a millage rate in excess of the rates established as provided in Article VII, Section 23(B) of the Constitution of Louisiana, but not in excess of the prior year's maximum authorized millage rate the combined maximum authorized millage rate authorized by the constitution and approved by the taxing authority until the authorized millage rate expires. Such increased millage shall also be limited to an amount which would increase the ad valorem taxes collected by the taxing authority by no more than two and one-half percent of the collections for the calendar year immediately preceding the year for which the increased millage rate is effective: Maximum millage rates not levied by a taxing authority prior to the 2020 reassessment year, or the 2019 reassessment year for Orleans Parish, shall be permanently reduced to the adjusted maximum millage rate established by the Louisiana Legislative Auditor for the 2021 ad valorem tax year or the 2020 ad valorem tax year in Orleans Parish.

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Section 2. This Act shall take effect and become operative if and when the proposed amendment of Article 7, Section 23(C) of the Constitution of Louisiana contained in the Act which originated as Senate Bill No. 154 of this 2021 Regular Session of the Legislature is adopted at the statewide election to be held on November 8, 2022, and becomes effective.

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

DIGEST 2021 Regular Session

Smith

SB 165 Engrossed

<u>Present law</u> 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.

<u>Present law</u> 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.

<u>Proposed law</u> 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.

<u>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.</u>

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.