

2021 Regular Session

HOUSE BILL NO. 143

BY REPRESENTATIVES WILLARD AND HILFERTY

TAX/AD VALOREM TAX: (Constitutional Amendment) Limits the amount of the increase in the assessed value of certain immovable property in Orleans Parish following reassessment of property for purposes of ad valorem taxes

1 A JOINT RESOLUTION

2 Proposing to amend Article VII, Section 18(F)(2)(a)(introductory paragraph) and to add
3 Article VII, Section 18(F)(3) of the Constitution of Louisiana, relative to ad valorem
4 taxation; to limit the amount of an increase in the assessed value of certain property
5 following reappraisal in Orleans Parish; to provide for certain limitations; to provide
6 for an effective date; to provide for submission of the proposed amendment to the
7 electors; and to provide for related matters.

8 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
9 elected to each house concurring, that there shall be submitted to the electors of the state of
10 Louisiana, for their approval or rejection in the manner provided by law, a proposal to
11 amend Article VII, Section 18(F)(2)(a)(introductory paragraph) and to add Article VII,
12 Section 18(F)(3) of the Constitution of Louisiana, to read as follows:

13 §18. Ad Valorem Taxes

14 Section 18.

15 * * *

16 (F) Reappraisal.

17 * * *

18 (2)(a) ~~In Except as provided for in Subparagraph (3) of this Paragraph, in the~~
19 year of implementation of a reappraisal as required in Subparagraph (1) of this

1 Paragraph, solely for purposes of determining the ad valorem tax imposed on
2 residential property subject to the homestead exemption as provided in Section 20
3 of this Article, if the assessed value of immovable property increases by an amount
4 which is greater than fifty percent of the property's assessed value in the previous
5 year, the collector shall phase-in the additional tax liability resulting from the
6 increase in the property's assessed value over a four-year period as follows:

7 * * *

8 (3)(a) In the year of implementation of a reappraisal as required in
9 Subparagraph (1) of this Paragraph, solely for purposes of determining the ad
10 valorem tax imposed on residential property subject to the homestead exemption as
11 provided in Section 20 of this Article, the increase in the assessed value of residential
12 immovable property in Orleans Parish shall not exceed ten percent of the property's
13 assessed value in the previous year. The decrease in the total amount of ad valorem
14 tax collected in Orleans Parish as a result of this limitation on the assessed valuation
15 shall be absorbed by the taxing authority and shall not create any additional tax
16 liability for other taxpayers in the taxing district as a result of any subsequent
17 reappraisal and valuation or millage adjustment. Implementation of this limitation
18 on the amount of the increase in assessed valuation authorized in this Subparagraph
19 shall neither trigger nor be cause for a reappraisal of property or an adjustment of
20 millages pursuant to the provisions of Article VII, Section 23(B) of this Constitution.

21 (b) The provisions of this Subparagraph shall not apply to the transfer or
22 conveyance of ownership of the property. Following a transfer or conveyance, the
23 collector shall calculate ad valorem taxes based on the property's full assessed value.

24 (c) The provisions of this Subparagraph shall not apply to the extent the
25 increase was attributable to construction on or improvements to the property.

26 * * *

27 Section 2. Be it further resolved that the provision of the amendment contained in
28 this Joint Resolution shall become effective January 1, 2023, and shall be applicable to tax
29 years beginning on or after January 1, 2023.

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 November 8,
3 2022.

4 Section 4. Be it further resolved that on the official ballot to be used at the 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 to limit the amount of an increase in the
9 assessed value of residential property in Orleans Parish following reappraisal
10 at ten percent of the property's assessed value in the previous year? (January
11 1, 2023) (Amends Article VII, Section 18(F)(2)(a)(introductory paragraph)
12 and Adds Article VII, Section 18(F)(3))

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)]

HB 143 Engrossed

2021 Regular Session

Willard

Abstract: In Orleans Parish only, limits increases in the assessed value of residential immovable property to no more than 10% of the property's assessed value in the previous year.

Present constitution requires property subject to ad valorem taxes to be listed on the assessment roles at its assessed value which is a percentage of its fair market value. Requires all property subject to taxation to be reappraised and valued at intervals of not more than four years.

Present constitution authorizes a four-year phase-in of increases in the assessed value of residential property subject to the homestead exemption if the assessed value of immovable property increases by an amount which is greater than 50% of the property's value in the previous year.

Proposed constitutional amendment retains present constitution but limits, in Orleans Parish only, the amount of the increase in the assessed value of residential immovable property subject to the homestead exemption to no more than 10% of the property's assessed value in the previous year. Further provides that the decrease in the total amount of ad valorem tax collected in Orleans Parish as a result of this limitation on the assessed valuation shall be absorbed by the taxing authority and shall not create any additional tax liability for other taxpayers in the taxing district as a result of any subsequent reappraisal and valuation or millage adjustment.

Proposed constitutional amendment prohibits implementation of the cap on the amount of the increase in assessed valuation of residential immovable property from triggering or

causing a reappraisal of property or an adjustment of millages pursuant to the provisions of present constitution.

Proposed constitutional amendment shall not apply to the transfer or conveyance of ownership of the property. Following a transfer or conveyance, the collector shall calculate ad valorem taxes based on the property's full assessed value. Further provides that the provisions of proposed constitutional amendment shall not apply to the extent the increase is attributable to construction on or improvements to the property.

Effective Jan. 1, 2023, and applicable to tax years beginning on or after Jan. 1, 2023.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 8, 2022.

(Amends Const. Art. VII, §18(F)(2)(a)(intro. para.); Adds Const. Art. VII, §18(F)(3))