

# ACT No. 48

2023 Regular Session

HOUSE BILL NO. 46

BY REPRESENTATIVES HUGHES AND KNOX

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A JOINT RESOLUTION

Proposing to amend Article VII, Section 21(B) of the Constitution of Louisiana, relative to ad valorem tax exemptions; to provide for eligibility of certain nonprofit organizations for such exemptions; to prohibit the exemption from ad valorem taxation of certain residential property owned by a nonprofit corporation or association based upon the condition of the property; to provide for determinations by local governing authorities with respect to the condition of certain property owned by a nonprofit corporation or association and leased as housing; to authorize the issuance or reinstatement of a property tax exemption to a nonprofit corporation or association in certain circumstances; to make technical changes and corrections; to provide for applicability; 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 21(B) of the Constitution of Louisiana, to read as follows:

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)(1)(a)(i) Property owned by a nonprofit corporation or association  
7 organized and operated exclusively for religious, dedicated places of burial,  
8 charitable, health, welfare, fraternal, or educational purposes, no part of the net  
9 earnings of which inure to the benefit of any private shareholder or member thereof  
10 and ~~which~~ that is declared to be exempt from federal or state income tax; and

11 (ii) ~~medical~~ Medical equipment leased for a term exceeding five years to  
12 such a nonprofit corporation or association ~~which~~ that owns or operates a small, rural  
13 hospital and ~~which~~ that uses the equipment solely for health care purposes at the  
14 hospital, provided that the property shall be exempt only during the term of the lease  
15 to such corporation or association, and further provided that "small, rural hospital"  
16 shall mean a hospital ~~which~~ that meets all of the following criteria:

17 (aa) It has less than fifty Medicare-licensed acute care beds.

18 (bb) It is located in a municipality with a population of less than ten  
19 thousand ~~which~~ that has been classified as an area with a shortage of health  
20 manpower by the United States Health Service; and

21 (b) ~~property~~ Property leased to such a nonprofit corporation or association  
22 for use solely as housing for homeless persons, as defined by regulation adopted by  
23 the tax commission or its successor provided that the term of such lease shall be for  
24 at least five years, that as a condition of entering into the lease the property be in  
25 compliance with all applicable health and sanitation codes for use as housing for  
26 homeless persons, that the lease shall provide that compensation to be paid the lessor  
27 shall not exceed one dollar per year, and that such contract of lease shall recite that  
28 the property shall be used exclusively for the purpose of housing the homeless, and  
29 further provided that at such time as the property is no longer used solely as housing  
30 for homeless persons, the property shall no longer be exempt from taxation;

1           (2) ~~property~~ Property of a bona fide labor organization representing its  
2 members or affiliates in collective bargaining efforts; and

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

9           (4)(a) None of the property listed in this Paragraph ~~(B)~~ shall be exempt if  
10 owned, operated, leased, or used for commercial purposes unrelated to the exempt  
11 purposes of the corporation or association.

12           (b)(i) None of the property listed in this Paragraph shall be exempt if the  
13 property is owned by a nonprofit corporation or association and the governing  
14 authority of the municipality or parish in which the property is located determines  
15 all of the following:

16           (aa) The property is leased as housing, is in a state of disrepair, and  
17 manifests conditions which endanger the health or safety of the public.

18           (bb) The owner of the property habitually neglects maintenance of the  
19 property as evidenced by three or more sustained code enforcement violations issued  
20 for the property in the prior twelve months for matters that endanger the health or  
21 safety of residents of the property or of persons in the area surrounding the property.  
22 For purposes of this Item, matters deemed to endanger health or safety include  
23 structural instability due to deterioration; injurious or toxic ventilation; contaminated  
24 or inoperable water supply; holes, breaks, rotting materials, or mold in walls; roof  
25 defects that admit rain; unsecured overhang extensions in danger of collapse; a  
26 hazardous electrical system; improper connection of fuel-burning appliances or  
27 equipment; an inactive or inoperable fire detection system; an unsecured or  
28 contaminated swimming pool; or any combination of these.

29           (ii) An ad valorem tax exemption denied or revoked pursuant to the  
30 provisions of Item (i) of this Subsubparagraph may be issued or reinstated if the

1 governing authority of the municipality or parish in which the property is located  
2 determines that the conditions enumerated in Item (i) of this Subsubparagraph no  
3 longer exist.

4 \* \* \*

5 Section 2. Be it further resolved that the provisions of the amendment contained in  
6 this Joint Resolution shall be applicable to all tax years beginning on or after January 1,  
7 2024.

8 Section 3. Be it further resolved that this proposed amendment shall be submitted  
9 to the electors of the state of Louisiana at the statewide election to be held on October 14,  
10 2023.

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

15 Do you support an amendment to deny a property tax exemption to a  
16 nonprofit corporation or association that owns residential property in such a  
17 state of disrepair that it endangers public health or safety? (Amends Article  
18 VII, Section 21(B))

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE