
DIGEST

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HB 366 Engrossed

2025 Regular Session

Deshotel

Abstract: Authorizes a parish to elect to exempt business inventory from ad valorem taxes; authorizes parishes to reduce the percentage of fair market value applicable to business inventory; prohibits the legislature from enacting a mandatory exemption for business inventory; and authorizes the state to make a one-time payment to parishes that elect to exempt business inventory from ad valorem taxes.

Present constitution requires all property subject to ad valorem tax to be listed on the parish assessment rolls at its assessed valuation which is a percentage of the property's fair market value. Present constitution requires the percentage of fair market value to be uniform throughout the state on the same class of property and requires assessors to reappraise and value property at intervals of not more than four years.

Present constitution provides for the different classifications of property which corresponds with a percentage of fair market value applicable to each classification.

Proposed constitutional amendment retains present constitution with regards to the assessment, listing of properties, and reappraisal of properties but changes the classifications of property by adding a separate classification for business inventory and public service property, excluding land owned by a railroad company.

Proposed constitutional amendment adds authorization for a parish to elect to reduce the percentage of fair market value applicable to business inventory, as defined in present law. Further provides that the legislature may provide for implementation of the optional exemption for business inventory which law is required to be enacted by favorable vote of two-thirds of the elected members of each house. Furthermore, once enacted, any change to these laws will also require a favorable vote of two-thirds of the elected members of each house of the legislature.

Proposed constitutional amendment prohibits the legislature from enacting a law requiring a taxing authority to exempt business inventory from ad valorem tax.

Proposed constitutional amendment authorizes the state to make a one-time payment to each parish that elects to irrevocably exempt business inventory from ad valorem tax. Further provides for the process for making the payments and disbursing the monies to each parish that elects to exempt business inventory.

Proposed constitutional amendment shall become effective on Jan. 1, 2027, and shall be applicable

to tax years beginning on or after Jan. 1, 2027.

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 3, 2026.

(Amends Const. Art. VII, §18(A) and (B); Adds Const. Art. VII, §§20.1 and 20.2)