Regular Session, 2013

HOUSE BILL NO. 162

## BY REPRESENTATIVES PEARSON AND TIM BURNS

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

TAX/AD VALOREM TAX: (Constitutional Amendment) Provides with respect to maximum authorized millage rates and provisions authorizing increases in certain millage rates without voter approval

1	A JOINT RESOLUTION
2	Proposing to amend Article VII, Section 23(B) and (C) of the Constitution of Louisiana,
3	relative to ad valorem property tax millage rates; to provide for the designation of
4	certain maximum authorized millage rates; to provide with respect to authorization
5	for certain adjustments of millage rates; to provide for submission of the proposed
6	amendment to the electors; and to provide for related matters.
7	Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
8	elected to each house concurring, that there shall be submitted to the electors of the state of
9	Louisiana, for their approval or rejection in the manner provided by law, a proposal to
10	amend Article VII, Section 23(B) and (C) of the Constitution of Louisiana, to read as
11	follows:
12	§23. Adjustment of Ad Valorem Tax Millages
13	Section 23.
14	* * *
15	(B) Subsequent Adjustments. Except as otherwise permitted in this Section,
16	the total amount of ad valorem taxes collected by any taxing authority in the year in
17	which the reappraisal and valuation provisions of Section 18, Paragraph (F) of this
18	Article are implemented shall not be increased or decreased because of a reappraisal
19	or valuation or increases or decreases in the homestead exemption above or below

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	the total amount of ad valorem taxes collected by that taxing authority in the year
2	preceding implementation of the reappraisal and valuation. To accomplish this
3	result, the provisions of millage adjustments relative to implementation of Section
4	18 and Section 20 of this Article, as set forth in Paragraph (A) of this Section shall
5	be mandatory. The maximum authorized rate established pursuant to this Paragraph
6	shall be designated as the maximum authorized rate for the specific year in which it
7	was established. Thereafter, following implementation of each subsequent
8	reappraisal and valuation required by Paragraph (F) of Section 18 of this Article, the
9	millages as fixed in each such implementation shall remain in effect unless changed
10	as permitted by Paragraph (C) of this Section.
11	(C) Increases Permitted. $(1)$ Nothing herein shall prohibit a taxing authority
12	from collecting, in the year in which Sections 18 and 20 of this Article are
13	implemented or in any subsequent year, a larger dollar amount of ad valorem taxes
14	by (1) levying either of the following methods:
15	(a) Levying additional or increased millages as provided by law or $(2)$
16	placing <u>.</u>
17	(b) Placing additional property on the tax rolls.
18	(2) Increases in the millage rate in excess of the rates established as provided
19	by Paragraph (B) above but not in excess of the prior year's any maximum authorized
20	millage rate established within the last ten years may be levied by two-thirds vote of
21	the total membership of a taxing authority without further voter approval but only
22	after a public in accordance with the requirements of this Subparagraph.
23	(a) The rate increase shall be considered at a public hearing held in
24	accordance with the open meetings law; however, in addition to any other
25	requirements of the open meetings law, public any such hearing shall be conducted
26	in conformity with the following requirements:
27	(i) The public notice of the time, place, and subject matter of such
28	the hearing shall be published and advertised on two separate days no less than
29	between sixty and thirty days before the date of the public hearing. Such public

1	notice shall be published in <u>both</u> the official journal of the taxing authority; and
2	another newspaper with a larger circulation within the jurisdiction of the taxing
3	authority than the official journal of the taxing authority, if there is one. if such a
4	newspaper exists. Additionally, such public notice shall be advertised as prescribed
5	<u>by law.</u>
6	(ii) The legislature shall prescribe the requirements for the scheduling, time,
7	and place of the public hearing.
8	* * *
9	Section 2. Be it further resolved that this proposed amendment shall be submitted
10	to the electors of the state of Louisiana at the statewide election to be held on November 4,
11	2014.
12	Section 3. Be it further resolved that on the official ballot to be used at the election,
13	there shall be printed a proposition, upon which the electors of the state shall be permitted
14	to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
15	follows:
16	Do you support an amendment regarding maximum authorized property tax
17	millage rates and requirements for increases in certain millage rates?
18	(Amends Article VII, Section 23(B) and (C))

## 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)]

## Pearson

HB No. 162

**Abstract:** For purposes of ad valorem property tax, requires designation of maximum authorized millage rates for specific years and provides requirements for increases in millage rates under certain circumstances.

<u>Present constitution</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>Proposed constitution</u> retains <u>present constitution</u> and provides that when a maximum authorized rate is changed due to a change in the base as provided in <u>present constitution</u>,

that maximum authorized rate shall be designated as the maximum authorized rate for the specific year in which it was established.

<u>Present constitution</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 constitution</u> changes <u>present constitution</u> by allowing a taxing authority to increase its millage rate up to any maximum authorized millage rate established within the last 10 years rather than the maximum authorized rate in effect the prior year.

<u>Present constitution</u> requires that a vote to increase a millage rate as authorized by <u>present</u> <u>constitution</u> shall occur at a public hearing which is held in accordance with public meetings law and for which notice has been published on two separate days at least 30 days in advance of the public hearing. Notice shall be published in the official journal of the taxing authority plus another newspaper with a larger circulation within the jurisdiction of the taxing authority if one exists.

<u>Proposed constitution</u> changes <u>present constitution</u> by changing the required period for time for public notice <u>from</u> 30 days before the hearing to between 60 and 30 days before the hearing. <u>Proposed constitution</u> adds to <u>present constitution</u> by requiring that in addition to newspaper publication, the public notice also be advertised in a manner prescribed by law. Further, <u>proposed constitution</u> requires the legislature to provide by law the requirements for the scheduling, time, and place of the public hearing.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 4, 2014.

(Amends Const. Art. VII, §23(B) and (C))