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## DIGEST

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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.

Present constitution 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.

Proposed constitution retains present constitution and provides that when a maximum authorized rate is changed due to a change in the base as provided in present constitution, that maximum authorized rate shall be designated as the maximum authorized rate for the specific year in which it was established.

Present constitution 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.

Proposed constitution changes present constitution 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.

Present constitution requires that a vote to increase a millage rate as authorized by present constitution 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.

Proposed constitution changes present constitution by changing the required period for time for public notice from 30 days before the hearing to between 60 and 30 days before the hearing. Proposed constitution adds to present constitution by requiring that in addition to newspaper publication, the public notice also be advertised in a manner prescribed by law. Further, proposed constitution 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))