Regular Session, 2013

HOUSE BILL NO. 514

## BY REPRESENTATIVE KLECKLEY AND SENATOR JOHNS

# TAX/AD VALOREM TAX: (Constitutional Amendment) Limits increases in ad valorem taxation under certain circumstances

1	A JOINT RESOLUTION
2	Proposing to amend Article VII, Section 18(A) and (F) of the Constitution of Louisiana, to
3	provide relative to ad valorem taxation; to provide for the reappraisal of property
4	subject to ad valorem taxation; to require the phase in of the amount of an increase
5	in assessed value of certain property following reappraisal under certain
6	circumstances; to provide for certain limitations; to provide for submission of the
7	proposed amendment to the 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(A) and (F) of the Constitution of Louisiana, to read as
12	follows:
13	§18. Ad Valorem Taxes
14	Section 18.(A) Assessments. Property subject to ad valorem taxation shall
15	be listed on the assessment rolls at its assessed valuation, which, except as provided
16	in Paragraphs (C), (F), and (G), shall be a percentage of its fair market value. The
17	percentage of fair market value shall be uniform throughout the state upon the same
18	class of property.
19	* * *

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

1	(F) Reappraisal. (1) All property subject to taxation shall be reappraised
2	and valued in accordance with this Section, at intervals of not more than four years.
3	(2)(a) In the year of implementation of a reappraisal of all property as
4	required in Paragraph (1), if the assessed value of real or immovable property
5	increases by an amount which is greater than fifteen percent of the property's
6	assessed value in the previous year, the assessor shall phase in the amount of the
7	increase in the property's assessed value over a three-year period as follows:
8	(i) In the first year following reappraisal, the assessor shall use the property's
9	assessed value from the previous reappraisal as the base amount and shall increase
10	the assessed value of the property by adding an amount which is equal to one-third
11	of the amount of the increase in the property's assessed value as a result of the
12	reappraisal. This resulting amount shall constitute the property's appraised value for
13	purposes of ad valorem taxation for that taxable year.
14	(ii) In the second year following reappraisal, the assessor shall use the
15	property's assessed value from the previous year as the base amount and shall
16	increase the assessed value of the property by adding an amount which is equal to
17	one-third of the amount of the increase in the property's assessed value as a result of
18	the reappraisal. This resulting amount shall constitute the property's appraised value
19	for purposes of ad valorem taxation for that taxable year.
20	(iii) In the third year following reappraisal, the assessor shall use the
21	property's assessed value from the previous year as the base amount and shall
22	increase the assessed value of the property by adding an amount which is equal to
23	one-third of the amount of the increase in the property's assessed value as a result of
24	reappraisal. This resulting amount shall constitute the property's appraised value for
25	purposes of ad valorem taxation for that taxable year and the full amount of the
26	increase in the assessed value of the property shall be fully phased in.
27	(b) Real or immovable property subject to the provisions of this
28	Subparagraph shall not be subject to reappraisal by an assessor until after the three

1	year phase in of the amount of the increase in the property's assessed value is
2	complete.
3	* * *
4	Section 2. Be it further resolved that this proposed amendment shall be submitted
5	to the electors of the state of Louisiana at the statewide election to be held on November 4,
6	2014.
7	Section 3. Be it further resolved that on the official ballot to be used at the election,
8	there shall be printed a proposition, upon which the electors of the state shall be permitted
9	to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
10	follows:
11	Do you support an amendment which will require that any reappraisal of the
12	value of one's property by more than 15%, resulting in a corresponding
13	increase in property taxes, be phased in over the course of three years during
14	which time no additional reappraisal can occur? (Amends Article VII,
15	Section 18(A) and (F)

### 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)]

#### Kleckley

HB No. 514

**Abstract:** Requires the phase in over a three-year period of the amount of an increase in the assessed value of property if, at the time of reappraisal, the property's assessed value increases by greater than 15% of the assessed value in the previous year.

<u>Present constitution</u> 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.

<u>Proposed constitutional amendment</u> retains the <u>present constitution</u> but provides that in in a reassessment year, if the property's assessed value increases by greater than 15% of the amount of the property's assessed value in the previous year, the assessor shall phase in the amount of the increase in the property's assessed value over a three-year period.

<u>Proposed constitutional amendment</u> prohibits property subject to the provisions of this <u>proposed amendment</u> from being reappraised by an assessor until after the three-year phase in of the increase in the amount of the property's assessed value is complete.

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

(Amends Const. Art. VII, §18(A) and (F))