

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

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A JOINT RESOLUTION

Proposing to amend Article VII, Section 23(B) and (C) of the Constitution of Louisiana, relative to ad valorem property tax millage rates; to provide for the designation of certain maximum authorized millage rates; to provide with respect to authorization for certain adjustments of millage rates; 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 23(B) and (C) of the Constitution of Louisiana, to read as follows:

§23. Adjustment of Ad Valorem Tax Millages

Section 23.

* * *

(B) Subsequent Adjustments. Except as otherwise permitted in this Section, the total amount of ad valorem taxes collected by any taxing authority in the year in which the reappraisal and valuation provisions of Section 18, Paragraph (F) of this Article are implemented shall not be increased or decreased because of a reappraisal or valuation or increases or decreases in the homestead exemption above or below

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 millage resulting from such adjustments
6 shall be identified and known as the maximum authorized millage established in that
7 specific year. The identification shall be made solely for purposes of differentiating
8 between the rates of maximum authorized millages established over time through the
9 implementation of Paragraph (A) of this Section. Thereafter, following
10 implementation of each subsequent reappraisal and valuation required by Paragraph
11 (F) of Section 18 of this Article, the millages as fixed in each such implementation
12 shall remain in effect unless changed as permitted by Paragraph (C) of this Section.

13 (C) Increases Permitted. (1) Nothing herein shall prohibit a taxing authority
14 from collecting, in the year in which Sections 18 and 20 of this Article are
15 implemented or in any subsequent year, a larger dollar amount of ad valorem taxes
16 by ~~(1) levying~~ either of the following methods:

17 (a) Levying additional or increased millages as provided by law ~~or (2)~~
18 placing .

19 (b) Placing additional property on the tax rolls.

20 (2) Increases in the millage rate in excess of the rates established as provided
21 by Paragraph (B) above but not in excess of ~~the prior year's~~ any maximum authorized
22 millage rate established within the last ten years may be levied by two-thirds vote of
23 the total membership of a taxing authority without further voter approval but only
24 ~~after a public~~ in accordance with the requirements of this Subparagraph.

25 (a) The rate increase shall be considered at a public hearing held in
26 accordance with the open meetings law; however, in addition to any other
27 requirements of the open meetings law, public any such hearing shall be conducted
28 in conformity with the following requirements:

1 (i) The public notice of the time, place, and subject matter of ~~such~~
2 ~~the~~ hearing shall be published and advertised on two separate days ~~no less than~~
3 ~~between sixty and thirty~~ days before the date of the public hearing. Such public
4 notice shall be published in both the official journal of the taxing authority; and
5 another newspaper with a larger circulation within the jurisdiction of the taxing
6 authority ~~than the official journal of the taxing authority, if there is one. if such a~~
7 newspaper exists. Additionally, such public notice shall be advertised as prescribed
8 by law.

9 (ii) The legislature shall prescribe the requirements for the scheduling, time,
10 and place of the public hearing.

11 * * *

12 Section 2. Be it further resolved that this proposed amendment shall be submitted
13 to the electors of the state of Louisiana at the statewide election to be held on November 4,
14 2014.

15 Section 3. Be it further resolved that on the official ballot to be used at the election,
16 there shall be printed a proposition, upon which the electors of the state shall be permitted
17 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
18 follows:

19 Do you support an amendment regarding maximum authorized millage rates
20 for purposes of ad valorem taxes and requirements for increases in certain
21 millage rates? (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 identification 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 constitutional amendment 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 identified and known 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 constitutional amendment 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 constitutional amendment 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 constitutional amendment 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 constitutional amendment 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))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Specified that the identification of a maximum authorized millage for a particular year is solely for purposes of differentiation from other maximum authorized millages established over time.