
SENATE COMMITTEE AMENDMENTS

2015 Regular Session

Amendments proposed by Senate Committee on Finance to Original Senate Bill No. 177 by Senator Adley

1 AMENDMENT NO. 1

2 On page 1, line 2, delete "add Article VII, Section 21(C)(20)" and insert "amend Article VII,
3 Section 18(B) and (D), and to add Article VII, Section 10.15, Section 21(C)(20) and (21),
4 and Section 21.1"

5 AMENDMENT NO. 2

6 On page 1, line 3, after "exemptions" insert "and reductions"

7 AMENDMENT NO. 3

8 On page 1, line 4, after "gas" insert:

9 "and vessels; to provide for the valuation and assessment of telephone company
10 property; to provide with respect to the adjustment of ad valorem millages because
11 of the implementation of the amendment; to provide for annual effectiveness of the
12 exemptions and reductions"

13 AMENDMENT NO. 4

14 On page 1, line 7, after "concurring, that" insert:

15 "only if the Legislative Auditor provides written certification to the Secretary of
16 State that funds have been appropriated by the legislature in a law which has become
17 effective which, upon receipt by an ad valorem property taxing authority, will be
18 sufficient to offset the decrease in the total amount of ad valorem taxes collected by
19 such taxing authority because of the implementation of the provisions of this
20 proposed amendment, then"

21 AMENDMENT NO. 5

22 On page 1, at the end of line 8, delete "add Article VII," and on line 9, delete "Section
23 21(C)(20)" and insert "amend Article VII, Section 18(B) and (D), and to add Article VII,
24 Section 10.15, Section 21(C)(20) and (21), and Section 21.1"

25 AMENDMENT NO. 6

26 On page 1, between lines 9 and 10, insert the following:

27 **§10.15. Tax Credit Reduction Fund**

28 **Section 10.15.A. Each fiscal year beginning with Fiscal Year 2015-2016,**
29 **the Revenue Estimating Conference shall determine the net increase in taxes**
30 **collected during each fiscal year because of the effect on income and franchise**
31 **tax credits provided by law on the initial effective date of this Section of the**
32 **implementation of the ad valorem property tax exemptions provided for in**
33 **Section 23(C)(20) and (21) of this Article and the reduction of the percentage of**
34 **the fair market value of telephone company properties subject to assessment as**
35 **provided for in Section (B)(5) of this Article. Such determination shall be**
36 **approved by the Joint Legislative Committee on the Budget.**

37 **B.(1) After compliance with the requirements of Section 9(B) of this**
38 **Article relative to the Bond Security and Redemption Fund and prior to any**
39 **money being placed into the general fund or any other fund, an amount equal**
40 **to that determined by the Revenue Estimating Conference and approved by the**

1 Joint Legislative Committee on the Budget shall be credited by the treasurer
 2 each fiscal year to a special fund hereby created in the state treasury to be
 3 known as the Tax Credit Reduction Fund. The money in the fund shall be used
 4 solely as provided for in Paragraph (C) of this Section.

5 (2)(a) The money in the fund shall be invested by the treasurer in the
 6 same manner as money in the state general fund and interest earned on the
 7 investment of the money shall be credited to the fund after compliance with the
 8 requirements of Section 9(B) of this Article relative to the Bond Security and
 9 Redemption Fund.

10 (b) All unexpended and unencumbered money in the fund at the end of
 11 the year shall remain in the fund.

12 C. The money in the Tax Credit Reduction Fund shall be used solely as
 13 follows in the following priorities:

14 First, the money in the fund shall be appropriated by the legislature each
 15 fiscal year to fund the Minimum Foundation Program in an amount sufficient
 16 to ensure that each city and parish school system receives its proportionate
 17 amount of funding allocated to the system as provided in the Minimum
 18 Foundation Program Formula approved by the legislature during the 2015
 19 Regular Session of the Legislature, or the most recently approved formula prior
 20 to such Session, including the combined state and local contributions. It is the
 21 intention of this provision that no city and parish school system shall have its
 22 Minimum Foundation Program Formula allocation reduced as a result of the
 23 effect of the implementation of the ad valorem property tax exemptions and
 24 reductions referenced in Paragraph (A) of this Section on such city and parish
 25 school system's contribution.

26 Second, the balance of money remaining in the fund after the allocation
 27 provided in the first Subparagraph of this Paragraph shall be appropriated by
 28 the legislature for any purposes as determined by the legislature.

29 * * *

30 §18. Ad Valorem Taxes

31 Section 18. * * *

32 (B) Classification. The classifications of property subject to ad valorem
 33 taxation and the percentage of fair market value applicable to each classification for
 34 the purpose of determining assessed valuation are as follows:

Classifications	Percentages
1. Land	10%
2. Improvements for residential purposes	10%
3. Electric cooperative properties, excluding land	15%
4. Public service properties, excluding land	25%
40 5. Telephone company properties, excluding land	15%
41 6. Other property	15%

42 The legislature may enact laws defining electric cooperative properties and
 43 public service properties. "Telephone company property" shall mean the
 44 property owned or used in the state in the operation of a company primarily
 45 engaged in the business of transmitting telephone messages within, through,
 46 into, or from this state; however, the term "telephone company property" shall
 47 not include the property of any company that:

48 (1) Primarily is engaged in the business of owning, operating, or
 49 managing a radio common carrier as shall be defined by law, or a public "for
 50 hire" radio service.

51 (2) Primarily is engaged in the business of providing a service of radio
 52 communications between mobile and base stations, between mobile and land
 53 stations, or between two or more mobile stations, including but not limited to
 54 any cellular service, paging service, or other forms of mobile or portable
 55 communications service.

56 * * *

57 (D) Valuation. Each assessor shall determine the fair market value of all
 58 property subject to taxation within his respective parish or district except public
 59 service properties **and telephone company properties**, which shall be valued at fair
 60 market value by the Louisiana Tax Commission or its successor. Each assessor shall
 61 determine the use value of property which is to be so assessed under the provisions

of Paragraph (C). Fair market value and use value of property shall be determined in accordance with criteria which shall be established by law and which shall apply uniformly throughout the state.

* * *

AMENDMENT NO. 7

On page 2, delete lines 2 through 4, and insert the following:

"(21) Vessels, including ships, oceangoing tugs, towboats, and barges, principally operated in Outer Continental Shelf Lands Act Waters. "Outer Continental Shelf Lands Act Waters" shall mean all waters above all submerged land seaward and outside of the area of state submerged lands beneath navigable waters as defined in the Submerged Lands Act, 43 U.S.C. §1301 et seq. The term shall further mean all waters above Outer Continental Shelf submerged lands to which the Outer Continental Shelf Lands Act of Title 43 U.S.C. §1331 et seq. applies.

* * *

§21.1. Effectiveness of certain exemptions and assessment reductions

The exemptions provided for in Section 21(C)(20) and (21) of this Article and the valuation of telephone company properties at fifteen percent of fair market value provided for in Section 18(B)(5) of this Article shall only be effective for a Tax Year in which the Legislative Auditor provides written certification to the Louisiana Tax Commission that funds have been appropriated by the legislature in a law which has become effective which, upon receipt by an ad valorem property taxing authority, will be sufficient to offset the decrease in the total amount of ad valorem taxes collected by such taxing authority because of the operation of those provisions. The appropriation shall be a direct appropriation to state aid to local government for which local government determines the expenditure. The provisions of Article VII, Section 10(F)(1) and (2) shall not be applicable to nor affect such appropriations.

Section 2. Be it further resolved that the provisions of this proposed amendment shall apply retroactively to the Tax Year 2015 so that, notwithstanding any other provision of this constitution or other law to the contrary requiring the assessment and collection of ad valorem taxes by an earlier date, the Louisiana Tax Commission and assessors shall exempt or reassess property according to the terms of this proposed amendment and any ad valorem property taxes and associated charges paid for such tax year not in accordance with the terms of this proposed amendment shall be refunded.

Section 3. Be it further resolved that a decrease in the total amount of ad valorem taxes collected by a taxing authority because of the implementation of the provisions of this amendment shall not authorize the taxing authority to adjust its millages as provided for in Article VII, Section 23 of the Constitution of Louisiana.

Section 4. Be it further resolved that, providing for a matter related to the ad valorem property tax exemptions and reductions provided for in this proposed amendment, notwithstanding Article III, Section 16(B) or any other provision of this constitution or any other law to the contrary, any claim for an income tax or corporate franchise tax credit for ad valorem property taxes paid on the property provided for in this proposed amendment shall not be allowed in Fiscal Year 2015-2016. One-tenth of each such tax credit shall be allowed to a claimant each Fiscal Year thereafter, beginning in Fiscal Year 2016-2017."

AMENDMENT NO. 8

On page 2, line 5, change "Section 3" to "Section 5" and after "resolved that" and before "this proposed amendment" insert:

"only if the Legislative Auditor provides written certification to the Secretary of State that funds have been appropriated by the legislature in a law which has become effective which, upon receipt by an ad valorem property taxing authority, will be sufficient to offset the decrease in the total amount of ad valorem taxes collected by such taxing authority because of the implementation of the provisions of this proposed amendment, then"

1 AMENDMENT NO. 9

2 On page 2, line 8, change "Section 4" to "Section 6"

3 AMENDMENT NO. 10

4 On page 2, delete lines 12 through 16, and insert the following:

5 "Do you support an amendment to exempt from property tax the inventory
6 held by manufacturers, distributors, and retailers, natural gas held, used, or
7 consumed in providing natural gas storage services or operating natural gas
8 storage facilities, and vessels principally operated in Outer Continental Shelf
9 (OCS) waters; to provide that telephone company properties shall be assessed
10 at 15% of fair market value; to provide that the exemption and reduction are
11 applicable only in tax years in which the Legislative Auditor provides written
12 certification to the Louisiana Tax Commission that funds have been
13 appropriated by the legislature in a law which has become effective which,
14 upon receipt by an ad valorem property taxing authority, will be sufficient to
15 offset the decrease in the total amount of ad valorem taxes collected by such
16 taxing authority because of the operation of these provisions; to provide that
17 ad valorem tax millages shall not be raised because of the implementation of
18 the amendment and that any claim for a tax credit for taxes paid on such
19 property shall not be allowed in Fiscal Year 2015-2016, but one-tenth shall
20 be allowed each Fiscal Year thereafter; and finally to provide that the net
21 increase in state taxes collected as a result of such exemptions and reductions
22 shall be deposited in a Tax Credit Reduction Fund, a portion to be used to
23 ensure that no school system shall have its Minimum Foundation Formula
24 allocation reduced as a result of the effect of such exemptions and
25 reductions?
26 (Amends Article VII, Section 18(B) and (D); adds Article VII, Section 10.15,
27 Section 21(C)(20) and (21), and Section 21.1)