Regular Session, 2005

HOUSE BILL NO. 274

BY REPRESENTATIVE ARNOLD

TAX/AD VALOREM TAX: Limits increases of ad valorem tax millages

AN ACT

To amend and reenact R.S. 47:1705(B), relative to ad valorem taxes; to limit the ability of taxing authorities to increase ad valorem tax millages; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:1705(B) is hereby amended and reenacted to read as follows:

§1705. Information supplied to assessor and legislative auditor by tax recipient agencies

* * *

B. Increases in the millage rate in excess of the rates established as provided by Paragraph (B) of Section 23 of Article VII of the Constitution of Louisiana, but not in excess of the prior year's maximum authorized millage rate may be levied by two-thirds vote of the total membership of a taxing authority without further voter approval ~~but~~ provided the resulting increase in the total amount of ad valorem taxes collected is no larger than the aggregate increase in the cost of living as reflected in the official Consumer Price Index for All Urban Consumers as published by the government of the United States since the last time the provisions of Article VII, Section 18(F) of the Constitution of Louisiana were last implemented for all property and only after a public hearing held in accordance with the open meetings law. In order to accomplish this result, it shall be mandatory:

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(1) ~~that~~ That each tax recipient body shall adopt an ordinance or resolution which shall set forth and designate the adjusted millage rate as required by Paragraph (B) of Section 23 of Article VII of the Constitution of Louisiana, and

(2) ~~that~~ That each tax recipient body shall adopt another separate ordinance or resolution which shall provide for such millage rate increases by two-thirds vote and shall set forth and designate not only the increased millage rate but also the adjusted millage rate as required in Paragraph (1) above and by Paragraph (B) of Section 23 of Article VII of the Constitution of Louisiana.

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Section 2. This Act shall become effective and become operative if and when the proposed amendment of Article VII, Section 27 of the Constitution of Louisiana contained in the Act which originated as House Bill No. 273 of this 2005 Regular Session of the Legislature is adopted at the statewide election to be held on November 7, 2006 and at the same time as such proposed amendment becomes effective.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

Arnold HB No. 274

Abstract: Limits increases of ad valorem tax millages.

Present law provides that all tax recipient agencies of ad valorem taxes of each parish are required to furnish the assessor and the legislative auditor the authorizing ordinances or resolutions and the tax rate to be applied to the assessed values not later than June 1 of each year.

Present law further provides that increases in the millage rates established by Const. Art. VII, §27, but not in excess of the prior year's maximum authorized millage rate may be levied with a 2/3 vote of the total membership without voter approval but only after a public hearing held in accordance with the open meetings law.

Proposed law provides that the millage rate may be rolled forward by 2/3 vote of the total membership of a taxing authority after a public hearing without further voter approval, provided the resulting increase in the total amount of ad valorem taxes collected is no larger than the aggregate increase in the cost of living as reflected in the official Consumer Price Index for All Urban Consumers as published by the government of the U. S. since the last time the provisions of Article VII, §18(F) were last implemented for all property.

Effective and operative if and when the proposed amendment to the constitution contained in HB 273 of the 2005 R.S. is adopted at the statewide election to be held on 11/6/06 . (Amends R.S. 47:1705(B))

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Summary of Amendments Adopted by House

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

1. Clarifies that the amount of ad valorem taxes which can be collected is no larger than the aggregate increase in the CPI for all Urban Consumers since the last reappraisal of all property.

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