

**Louisiana Constitutional Amendments
On the October 12th Statewide Ballot**

**Summaries Prepared by LABI Staff
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CA No. 1 – Inventory Tax Exemption for Materials Destined for the Outer Continental Shelf

LABI: SUPPORT

The Louisiana Constitution currently exempts property held for export or in transit through the state from the inventory tax. This Constitutional Amendment would extend this exemption to raw materials, goods, commodities, personal property, and other articles stored in public and private warehouses and destined for the Outer Continental Shelf. The legislation had no estimated fiscal impact and passed the Senate unanimously and the House 83-12. Because the legislation will help the oil and gas service sector in Louisiana remain competitive with other coastal states, LABI supported the bill during the legislative session and urges voters to **support Constitutional Amendment #1**.

CA No. 2 – More Recipients Eligible for the Education Excellence Fund

LABI: SUPPORT

The Louisiana Constitution currently authorizes per pupil distributions from the Education Excellence Fund for various charter and alternative schools, private schools, special schools, and public schools. The Fund itself consists of investment earnings from the tobacco settlement dedicated to public education. The Constitutional Amendment would add THRIVE Academy, the Louisiana Educational Television Authority, and lab schools operated by public colleges to the list of schools eligible for funding. The total estimated distribution to these schools is \$190,228 of a total of roughly \$15.6 million. The bill passed the Legislature unanimously. LABI monitored the bill during the legislative session but generally supports the utilization of available public funding for an array of school models and choices, so LABI urges voters to **support Constitutional Amendment #2**.

CA No. 3 – Constitutionality to Be Determined by the Board of Tax Appeals

LABI: SUPPORT

Currently, the Board of Tax Appeals exists as an optional trial court for tax disputes in Louisiana. An estimated 99 percent of tax cases are filed with the Board because most litigants prefer judges with expertise in tax law to oversee the case. Litigants can still choose to go to district court, and the Board's decisions are appealed to appellate courts. When there is a constitutional question today, however, the case must be transferred to district court and later sent back to the Board of Tax Appeals for trial on the underlying issues. This cumbersome transfer is administratively burdensome and can leave the matter in

limbo for years, adding to the costs of litigation. This Constitutional Amendment authorizes the Legislature, by a two-thirds vote, to permit the Board of Tax Appeals to hear the entire case before it including any constitutional considerations. It does not otherwise expand the jurisdiction of the Board beyond tax matters.

The bill overwhelmingly passed the Legislature with only two votes cast against it. LABI supported the bill during the legislative session and therefore urges voters to **support Constitutional Amendment #3**.

CA No. 4 – New Property Tax Exemption in New Orleans to Promote Affordable Housing

LABI: NO POSITION

This Constitutional Amendment would authorize the City of New Orleans to exempt from property taxes those properties in Orleans Parish that are comprised of no more than 15 residential units (excluding properties used as rentals for fewer than 30 days) in order to encourage and promote affordable housing. The City may grant a full or partial exemption, or freeze the assessment at the prior year's level. Because the Constitutional Amendment expressly requires that any decrease in the total amount of the property tax collected by the taxing authority as a result of the exemption must be absorbed by the authority and shall not create any additional tax liability for other taxpayers in the district, LABI remained neutral on this bill during the legislative session. It passed the Senate by a one-vote margin, then passed the House 92-2. LABI has no position on Constitutional Amendment #4.
