Property tax gets support, but delegates don’t want part in imposition

By MARSHA SHULER
Capitol news bureau

Gov. Edwin Edwards won some support Monday for giving local governments the ability to levy a 5.75-mill property tax, but delegates made it clear they wanted nothing to do with approving imposition of the tax.

The reaction came as the State Expenditure Committee of the constitutional convention met to review various proposals referred to it for review.

The constitution currently gives the state the authority to levy a 5.75-mill property tax — an option it does not exercise.

In his convention address, Edwards recommended that the property tax option be retained in the constitution but that it be reserved for local governments. Under his plan, local governments would approach the Legislature to levy the tax on their behalf. Decisions would be made on a case-by-case basis.

"We need to help local governments help themselves," said Rep. Mitch Landrieu, D-New Orleans, who has a proposal similar to Edwards’. "We can’t continue to strangle them, putting mandates on. We have to give them the means to help themselves."

Landrieu got agreement from committee members that the state does not need to be in the property tax business. But when Landrieu said he kind of likes Edwards’ plan requiring legislative approval, he met resistance.

Rep. Sean Reilly, D-Baton Rouge, said the way the proposal is structured "this really doesn’t ask local government to help themselves."

Reilly said he does not like the legislative approval feature of the proposal.

"To me, if we are not very careful with this proposal, we can break the link of accountability," he said.

The Legislature would end up taking the heat instead of local officials who want to impose the tax, Reilly said. In addition, he said, some lawmakers may not want to vote for a tax but would try to get their colleagues to vote for it to take some of the responsibility off themselves.

"I think that's not a direction in which we ought to go," Reilly said.

Landrieu said the authority could be passed down to local government to levy up to a 5.75-mill property tax. Rep. Elias "Bo" Ackal, D-New Iberia, a committee chairman and Edwards floor leader, said the state should get out of the property tax business. It should be a revenue option left to local governments to exercise.

But, he said, a voter referendum should be required.

Landrieu said perhaps local governments should be required to go through the same approval mechanisms for taxes provided for in their charters.

"Some subject to voter approval, some do not," he said.

Edwards' and Landrieu's proposals call for the tax to be imposed without regard to the homestead exemption that protects most houses assessed at up to $75,000 from taxes. That feature was not discussed.

Local government officials have long complained about state mandates that drive up their costs while at the same time the state restricts their options for raising revenues at the local level. The Local Expenditure Committee of the constitutional convention heard the same complaints Monday from representatives of the Louisiana Municipal Association, the Louisiana Police Jury Association and from Lafayette Parish officials Walter Comeaux and Joe Wallace Smith.

"We are trying as best we can on the local level to solve the problems," Comeaux said. But he said he does not see much relief because of the burden of state-required expenditures.

Smith said Lafayette Parish faces $8.8 million in state mandates and the state contributes $991,862 toward meeting them. Pay for district court operations and correctional facilities are the biggest drain, he said.

Unlike other local government officials, Comeaux said he has the ability to raise taxes now, but he’s having trouble even getting voters to renew existing taxes, let alone proposing new or increased ones.

"Oh, you want the state to ask for additional taxes," said Rep. C.O. Simpkins, D-Shreveport.

"It’s a state responsibility. We are asking the state to take over its responsibility," Comeaux said.

Meanwhile, the Local Revenue Committee began its consideration of convention proposals, turning its attention to a proposal to allow local governments in three or more adjacent parishes to band together to levy an income tax.

The idea was put forward by committee Chairman Sen. Jon Johnson, D-New Orleans, and proposed letting local governments on a regional basis levy an income tax of 0.5 percent.

Revenue from the tax would be distributed on the basis of where it is collected. For example, if Jefferson, Orleans and St. Bernard parishes formed a taxing unit, each parish would receive all the local income taxes paid by its residents.

The committee took no action on the proposal.