

FACT SHEET

TITLE

An ordinance providing for an increase in the millage rates whereby the City shall roll forward to millage rates not exceeding the maximum authorized rate and levying various taxes totaling Seventeen and Sixty-Five One Hundredths (17 and 65/100ths) mills per dollar on all property subject to ad valorem taxation within the City of Shreveport, Louisiana for the year 2017, in the amounts and for the purposes described herein, and to otherwise provide with respect thereto.

DATE

April 11, 2017

ORIGINATING DEPARTMENT

Finance

COUNCIL DISTRICT

City-wide

SPONSOR

PURPOSE

The purpose of this **Ordinance #2 of 2** (identified as **Ordinance No. 43 of 2017**) is to:

- *set forth, designate and adopt* the **adjusted ad valorem millage rate** determined at reassessment in 2016;
AND
- *set forth, designate and adopt* the **increased ad valorem millage rate (i.e. “roll forward”)** for 2017;
AND
- *levy* the **increased ad valorem tax millage** on all property subject to ad valorem taxation in the City of Shreveport, Louisiana for the year 2017.

BACKGROUND INFORMATION

Ad valorem taxes must be levied each year by the City Council in order for the Tax Assessors of Caddo and Bossier Parish to assess taxable property and for the Director of Finance, who is designated as the Ex Officio Tax Collector under [Section 10.02\(k\)](#) of the City Charter to collect the taxes.

All property is required to be re-assessed every four (4) years and the millage rates are adjusted accordingly. The total amount of ad valorem taxes collected by the City in the year in which there is a reappraisal of property values can't increase or decrease because of the reappraisal above or below the total collected in the preceding year.

In May of 2016, the City received information from the Tax Assessor stating the assessed value of properties within the City had increased. Accordingly, the adjusted millages **decreased from 17.650 to 17.290 mills** as recorded in **Ordinance No. 88A of 2016**.

Later in November 2016, when the City received the actual tax rolls the assessed values of property within the City had actually decreased, rather than increased as the City was initially informed in May. The result of this actual decrease in assessed value in tax year 2016 resulted in a **loss of approximately \$600,000** for the City when compared to 2015. Therefore, had the City received the correct final assessed values in May of 2016, the assessed millages adopted by **Ordinance No. 88A of 2016** would have remained at **17.650 mills**.

In order to prevent this loss in revenue in 2017 the City should invoke another section of the State Constitution to restore/increase the millage rates. (i.e. “roll forward”) State law allows the City to roll forward millage rates back up to the maximum authorized rate which is 17.650 mills. This “roll forward” can be accomplished with the adoption of this **Ordinance No. 43 of 2017** (also referred to as Ordinance #2 of 2).

[Article VII, Section 23 \(C\)](#) of the Louisiana Constitution and [La. R.S. 47:1705](#) authorize the City Council to restore/increase millage rates, without further voter approval. This process is referred to as “rolling forward.” A “roll forward” is only allowed to occur when an increase in property value at reassessment adjusts millage rates downward, and the City wants to roll back up to the prior year's maximum authorized millage rate.

If the City chooses to “roll forward” (i.e. roll back up to the prior year's maximum authorized millage rate) then the public shall be given notice not less than thirty (30) days prior to a **public hearing** conducted at a **public meeting** and the **increased ad valorem millage rate** shall be adopted and levied by a **two-thirds (2/3) vote** of the total membership of the City Council.

Continued on next page.

FACT SHEET, Continued

The 2017 millages are as follows:

No.	DESCRIPTION	2016 REASSESSMENT YEAR MILLAGE RATE		PRIOR YEAR'S MAXIMUM MILLAGE RATE		2017 LEVY	
1	General Alimony Tax	10.090	mills	10.300	mills	10.300	mills
2	Recreational Facilities Tax	0.810	mills	0.830	mills	0.830	mills
3	Three-Platoon System Tax	1.440	mills	1.470	mills	1.470	mills
4	Street Improvement Tax	1.100	mills	1.120	mills	1.120	mills
5	Salary and Wage Schedule Tax	1.100	mills	1.120	mills	1.120	mills
6	Police & Fire Personnel, Uniforms and Equipment Tax	1.100	mills	1.120	mills	1.120	mills
7	Pensions, Employee Life Insurance and Hospitalization Plan for City Employees	1.650	mills	1.690	mills	1.690	mills
Totals		17.290	mills	17.650	mills	17.650	mills

TIMETABLE

Introduction: April 11, 2017
 Final Passage: May 23, 2017

ATTACHMENTS

None

SPECIAL PROCEDURAL REQUIREMENTS

- A public hearing, held during a public meeting, shall be conducted in accordance with the open meetings law.
- Two (2) separate publications are required no less than thirty (30) days before the public hearing.
- On the first day of publication, the City shall post the notice of the public hearing on the City's web-site.
- City shall issue a press release to newspapers with substantial distribution within Caddo Parish and Bossier Parish AND to area broadcast media.

In order to "roll forward" the following shall be **mandatory**:

- (1) The City Council shall adopt an ordinance or resolution (**Ordinance No. 42 of 2017**) which shall set forth and designate the adjusted millage rate as required by [Article VII, Section 23 \(B\)](#) of the Constitution of Louisiana.
- (2) The City Council shall adopt another separate ordinance or resolution (**Ordinance No. 43 of 2017**) which shall provide for such millage rate increases by two-thirds ($\frac{2}{3}$) vote and shall set forth and designate not only the increased millage rate but also the adjusted millage rate as required above ([La. R.S. 47:1705\(B\)\(2\)\(a\)](#)) and by [Article VII, Section 23 \(B\)](#) of the Constitution of Louisiana.

The meeting for "**announcement/introduction**" to the public is **April 11, 2017**.

The meeting for "**adoption**" is scheduled for **May 23, 2017**.

The vote requirement for adoption is as follows:

After a public hearing conducted at a public meeting, this ordinance shall only be adopted **by no less than two-thirds ($\frac{2}{3}$) vote of the total membership** of the City Council, of the City of Shreveport, Louisiana, as required by [Article VII, Section 23 \(C\)](#) of the Louisiana Constitution and [La. R.S. 47:1705 \(B\)](#).

FINANCES

Total amount of ad valorem taxes collected for the various purposes is approximately \$26,747,000.

SOURCE OF FUNDS

Various ad valorem taxes

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FACT SHEET, Continued

ALTERNATIVES

- (1) Adopt the ordinance. Vote Requirement: A **two-thirds (2/3) vote of the total membership** of the City Council.
- a. Adopt the ordinance as submitted for the *restored/increased* ad valorem millage rates (i.e. “roll forward”) in order to fund City operations.
 - b. The passage of this ordinance shall set the 2017 tax rates. It shall authorize the Tax Assessors to assess the *restored/increased* ad valorem taxes and enable the Tax Collector to collect the ad valorem taxes levied therein.
- (2) Reject the ordinance.
- a. The *restored/increased* ad valorem millage rates will not be collected and the “roll forward” shall fail.
 - b. However, year 2017 ad valorem taxes will be assessed by the Tax Assessor and collected by the Tax Collector if **Ordinance No. 42 of 2017** (also referred to as Ordinance #1 of 2) is adopted.

RECOMMENDATION

It is recommended by the Director of Finance, Charles Madden, that the City Council adopt the ordinance.

FACT SHEET PREPARED BY:

Charles Madden,
Director of Finance

and

Karen Strand,
Assistant City Attorney

ORDINANCE NO. 43 OF 2017

AN ORDINANCE PROVIDING FOR AN INCREASE IN THE MILLAGE RATES WHEREBY THE CITY SHALL ROLL FORWARD TO MILLAGE RATES NOT EXCEEDING THE MAXIMUM AUTHORIZED RATE AND LEVYING VARIOUS TAXES TOTALING SEVENTEEN AND SIXTY-FIVE ONE HUNDREDTHS (17 AND 65/100THS) MILLS PER DOLLAR ON ALL PROPERTY SUBJECT TO AD VALOREM TAXATION WITHIN THE CITY OF SHREVEPORT, LOUISIANA FOR THE YEAR 2017, IN THE AMOUNTS AND FOR THE PURPOSES DESCRIBED HEREIN, AND TO OTHERWISE PROVIDE WITH RESPECT THERETO.

BY COUNCILMEMBER:
DISTRICT: _____

WHEREAS, ad valorem taxes must be levied each year by the City Council in order for the Tax Assessors of Caddo and Bossier Parish to assess taxable property and for the Director of Finance, who is designated as the Ex Officio Tax Collector under [Section 10.02\(k\)](#) of the City Charter to collect the taxes; and

WHEREAS, in any year in which the reappraisal and valuation provisions of [Article VII, Section 18 \(F\)](#) of the Louisiana Constitution are implemented, [Article VII, Section 23 \(B\)](#) requires the City Council to adjust the ad valorem tax millages of the City of Shreveport so that the total amount of ad valorem taxes collected shall not be increased or decreased because of said reappraisal or valuation; and

WHEREAS, in compliance with said requirement, the City Council adjusted said millages for the year 2017 using the information received in May of 2016; and

WHEREAS, in May of 2016, the City received information from the Tax Assessor stating the assessed value of properties within the City had increased. Accordingly, the adjusted millages **decreased from 17.650 to 17.290 mills** as recorded in **Ordinance No. 88A of 2016**; and

WHEREAS, later in November 2016, when the City received the actual tax rolls the assessed values of property within the City had actually decreased, rather than increased as the City was initially informed in May. The result of this actual decrease in assessed value in tax year 2016 resulted in a **loss of approximately \$600,000** for the City when compared to 2015. Therefore, had the City received the correct final assessed values in May of 2016, the assessed millages adopted by **Ordinance No. 88A of 2016** *would have remained at 17.650 mills*; and

WHEREAS, in order to prevent this loss in revenue in 2017 the City should invoke another section of the State Constitution to restore/increase the millage rates. (i.e. “roll forward”) State law allows the City to roll forward millage rates back up to the maximum authorized rate which is 17.650 mills. This “roll forward” can be accomplished with the adoption of this **Ordinance No. 43 of 2017** (also referred to as Ordinance #2 of 2); and

WHEREAS, [Article VII, Section 23 \(C\)](#) of the Louisiana Constitution and [La. R.S. 47:1705](#) authorize the City Council to increase millage rates, without further voter approval. This process is referred to as “rolling forward.” A “roll forward” is only allowed to occur when an increase in property value at reassessment adjusts millage rates downward, and the City wants to roll back up to the prior year’s maximum authorized millage rate; and

WHEREAS, [Article VII, Section 23 \(C\)](#) of the Louisiana Constitution and [La. R.S. 47:1705](#) authorize the City Council to increase said millage rates in excess of said adjusted millage rates after a public hearing, conducted at a public meeting held in accordance with the Open Meetings Law, by a two-thirds ($\frac{2}{3}$) vote of the total membership of the City Council; and

WHEREAS, in addition to any other requirements of the Open Meetings Law, public notice of the time, place, and subject matter of such hearing shall be published on two (2) separate days no less than thirty (30) days before the public hearing. Such public notice shall be published in the official journal of the taxing authority, and another newspaper with a larger circulation within the taxing authority than the official journal of the taxing authority, if there is one; and

WHEREAS, said public hearing was conducted at a public meeting on **May 23, 2017**; and

WHEREAS, pursuant to [City Charter Section 10.02 \(K\)](#) the director of finance shall have charge of the financial affairs of the City and, to that end, he shall, with the approval of the chief administrative officer collect all taxes and licenses the collection of which is not assigned by law or ordinances to some other officer or agency. In the collection of taxes the director of finance shall be the ex officio tax collector of the City of Shreveport and shall have all the powers and duties conferred by law on tax collectors of cities.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Shreveport, Louisiana, in due, legal and regular session convened, that:

1. The adjusted millage rate for the **GENERAL ALIMONY TAX**, designated by **Ordinance No. 42 of 2017** is hereby increased from **10.090 mills to 10.300 mills**. An ad valorem tax of **Ten and Thirty One Hundredths (10 and 30/100ths) mills per dollar** of assessed valuation be and the same is hereby levied on all property subject to ad valorem taxation within the City of Shreveport, Louisiana, for the year 2017; *for the purpose of* general operating expenses of the General Fund.

2. The adjusted millage rate for the **RECREATIONAL FACILITIES TAX**, designated by **Ordinance No. 42 of 2017** is hereby increased from **0.810 mills to 0.830 mills**. An ad valorem tax of **Eighty-Three One Hundredths (83/100ths) mills per dollar** of assessed valuation be and the same is hereby levied on all property subject to ad valorem taxation within the City of Shreveport, Louisiana, for the year 2017; *for the purpose of* operating and supplying recreational facilities and appurtenances and maintaining the same, title to which shall be in the public, in accordance with the results of a special election held April 5, 2003.
3. The adjusted millage rate for the **THREE PLATOON SYSTEM TAX**, designated by **Ordinance No. 42 of 2017** is hereby increased from **1.440 mills to 1.470 mills**. An ad valorem tax of **One and Forty-Seven One Hundredths (1 and 47/100ths) mills per dollar** of assessed valuation be and the same is hereby levied on all property subject to ad valorem taxation within the City of Shreveport, Louisiana, for the year 2017; *for the purpose of* providing revenues sufficient to enable the City of Shreveport to provide a three-platoon system in the Police Department, now in effect in the City of Shreveport in accordance with Act 323 of the Legislature of Louisiana for the year 1936.
4. The adjusted millage rate for the **STREET IMPROVEMENT TAX**, designated by **Ordinance No. 42 of 2017** is hereby increased from **1.100 mills to 1.120 mills**. An ad valorem tax of **One and Twelve One Hundredths (1 and 12/100ths) mills per dollar** of assessed valuation be and the same is hereby levied on all property subject to ad valorem taxation within the City of Shreveport, Louisiana, for the year 2017; *for the purpose of* improving, repairing and maintaining the streets of the City of Shreveport, title to which shall be in the public, in accordance with the results of a special election held April 5, 2003.
5. The adjusted millage rate for the **SALARY AND WAGE SCHEDULE TAX**, designated by **Ordinance No. 42 of 2017** is hereby increased from **1.100 mills to 1.120 mills**. An ad valorem tax of **One and Twelve One Hundredths (1 and 12/100ths) mills per dollar** of assessed valuation be and the same is hereby levied on all property subject to ad valorem taxation within the City of Shreveport, Louisiana, for the year 2017; *for the purpose of* continuing the salary and wage schedule of City employees, in accordance with the results of a special election held April 5, 2003.
6. The adjusted millage rate for the **POLICE AND FIRE PERSONNEL, UNIFORMS AND EQUIPMENT TAX**, designated by **Ordinance No. 42 of 2017** is hereby increased from **1.100 mills to 1.120 mills**. An ad valorem tax of **One and Twelve One Hundredths**

(1 and 12/100ths) mills per dollar of assessed valuation be and the same is hereby levied on all property subject to ad valorem taxation within the City of Shreveport, Louisiana, for the year 2017; *for the purpose of* police and fire personnel and allowance for uniforms and equipment for said departments, in accordance with the results of a special election held April 5, 2003.

7. The adjusted millage rate for the **TAX FOR PENSIONS, EMPLOYEE LIFE INSURANCE AND HOSPITALIZATION PLAN FOR CITY EMPLOYEES**, designated by **Ordinance No. 42 of 2017** is hereby increased from **1.650 mills to 1.690 mills**. An ad valorem tax of **One and Sixty-Nine One Hundredths (1 and 69/100ths) mills per dollar** of assessed valuation be and the same is hereby levied on all property subject to ad valorem taxation within the City of Shreveport, Louisiana, for the year 2017; *for the purpose of* providing funds for the City's portion of pensions, employee life insurance and hospitalization plan for City employees, in accordance with the results of a special election held April 5, 2003.

BE IT FURTHER ORDAINED that this ordinance shall be full authority to the Tax Assessor of the Parish of Caddo, Louisiana and the Tax Assessor of the Parish of Bossier, Louisiana, to extend the taxes herein levied on the assessment rolls of the City of Shreveport, Louisiana for the year 2017.

BE IT FURTHER ORDAINED the tax collector of the City of Shreveport, Louisiana shall collect and remit the same to said taxing authority in accordance with law.

BE IT FURTHER ORDAINED the Director of Finance, Ex Officio Tax Collector of the City of Shreveport, is hereby empowered, authorized, and directed to cause said taxes, as herein above set forth, to be spread upon the tax roll of the City of Shreveport, Louisiana for the year 2017, to collect said ad valorem taxes for and on behalf of said City, according to law, and to place the same to the credit of the funds described herein above as authorized by law.

BE IT FURTHER ORDAINED the taxes herein levied shall become a permanent lien and privilege on all property subject to taxation as herein set forth, and the collection thereof shall be enforceable in the manner provided by law.

BE IT FURTHER ORDAINED this Ordinance was adopted after a public hearing was conducted at a public meeting, held on **May 23, 2017**, and said meeting and hearing was conducted in accordance with [La. R.S. 42:11](#), et seq. (the Open Meetings Law) and the additional requirements of [Article VII, Section 23 \(C\)](#) of the Louisiana Constitution and [La. R.S. 47:1705 \(B\)](#).

BE IT FURTHER ORDAINED that if any provision or item of this Ordinance or the application thereof is held invalid, such invalidity shall not affect other provisions, items or applications of this Ordinance which can be given affect without the invalid provisions, items or applications and to this end the provisions of this Ordinance are hereby declared severable.

BE IT FURTHER ORDAINED that all Ordinances or parts thereof in conflict herewith are hereby repealed.

APPROVED AS TO LEGAL FORM:

City Attorney's Office