

## **Amendment 4 bans auto taxes**

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By Alice Dowty

BATON ROUGE - Proposed constitutional Amendment 4 would deny all municipalities the authority to levy property tax on motor vehicles, but in practice, the measure would only affect New Orleans.

New Orleans is the only municipality in the state that collects property taxes on vehicles. In 2004, the 158.53 mills assessment generated \$5.2 million for New Orleans. A resident owning a car valued at \$20,000, for example, paid \$317.06 to the city in 2004, according to the Public Affairs Research Council.

Proposed Amendment 4 was approved by the Legislature before Hurricane Katrina hit and the city's levees failed. The city has not sent out property tax bills since then.

Opponents of Amendment 4 say New Orleans should not be faced with another blow to its revenues. This tax exemption would create more burdens on a city already facing financial crisis.

Opponents also say that this is not an appropriate matter to be decided by voters statewide. The people of New Orleans should deal with this at the local level, opponents say.

A third argument against Amendment 4 is that it removes a possible source of local funding. Although New Orleans is the only municipality in the state that currently avails itself of the opportunity to collect a property tax on vehicles, in a fiscal emergency, other cities might adopt one.

The state constitution exempts vehicles from state, parish and special property taxes; only the possibility of municipal property taxes remains.

The municipal governing authority must pass an exemption from vehicle taxation to avoid its collection, and every municipality in the state except New Orleans has done so, according to PAR. Some proponents of Amendment 4 want to restrict local governments' taxing authority.

However, the only practical effect of Amendment 4 would be to reduce New Orleans' revenue collections.

