

# VOTE YES on CA-2

More info:  
[www.yesonCA2.com](http://www.yesonCA2.com)

Constitutional Amendment Two is on the ballot for voters to decide this fall.

A “yes” vote brings fairness and predictability to oil and gas well assessments.

There are three ways to assess property values, but Louisiana Assessors legally have access only to two when it comes to oil and gas wells. That third method, the income approach, is not available to Louisiana assessors because it is not included in the Constitution, where this part of law resides.

The income approach values assets based on their ability to produce revenue- as most other businesses are valued. When oil and gas wells are bought and sold in the market, the income approach is how they are valued. The main question an energy business has before purchasing a well is “is it producing and therefore what is its income?” It makes good common sense for that to be an available method for estimating their value for tax purposes as well.

## Who supports Constitutional Amendment 2?

Industry AND Assessors back CA-2. As a bill, CA-2 it received unanimous, bipartisan support in the House and Senate. Supporters include:



## Learn more about Constitutional Amendment 2.

A “yes” vote would allow assessors to use of the 'income method' on oil and gas wells when they are evaluated for their ad valorem property taxes. A “no” vote does not allow this change.

### Why is CA-2 needed?

There are three ways to assess property values, but Louisiana Assessors legally have access only to two when it comes to oil and gas wells. That third assessment method, the 'income approach', is not available to Louisiana assessors because it is not included in the Constitution, where this part of law resides. The result is that values are based on the cost to replace a well with new parts, or the market approach, neither of which are accurate for this type of income-producing property.

The income approach values assets based on their ability to produce revenue- as most other businesses are valued. When oil and gas wells are bought and sold in the market, the income approach is how they are valued. The main question an energy business has before purchasing a well is “is it producing and therefore what is its income?” CA-2 would allow the 'income method' to be an available method for assessors to use to estimate oil and gas well values for ad valorem tax purposes.

### What would happen if CA-2 passed?

The passage of CA-2 is the 'green light' for the state to begin public hearings on developing the income approach for oil and gas well assessments. The Louisiana Tax Commission is responsible for promulgating rules and regulations around the income approach; this amendment allows those rules and regs to begin being drafted.

### Who is behind the passage Constitutional Amendment 2?

The Louisiana Oil & Gas Association, The Louisiana Mid-Continent Oil and Gas Association, and the Louisiana Assessors Association represent all sides of the discussion around Constitutional Amendment 2. They have been working together on this amendment as a solution to decades of debate around fairness and accuracy of oil and gas well assessments.

As a bill, CA-2 it received historic, unanimous, bipartisan support in the Louisiana House and Senate.

### Where can I find more information on Amendment 2?

Council for a Better Louisiana releases a constitutional amendment guide: [cabl.org](http://cabl.org)  
Public Affairs Research Council releases a constitutional amendment guide: [parlouisiana.org](http://parlouisiana.org)  
The Advocate published a guide: [www.theadvocate.com](http://www.theadvocate.com)