

Present constitution provides for the valuation of property at fair market value when determining the assessed valuation for purposes of ad valorem taxation. Provides for a homestead exemption on certain property that extends to \$7,500 of assessed valuation. Defines a homestead to consist of a tract of land or two or more tracts of land, not exceeding 160 acres, with a residence on one tract and a field, pasture, or garden on the other tract.

Proposed constitutional amendment retains these provisions but clarifies that the land qualifies as a homestead even if it is classified and assessed at use value. Further provides that if the homestead consists of a field, pasture, or garden on the additional tracts of land other than the land on which the residence is sited, then even if the additional tract contains timber, it remains a part of the homestead.

Present constitution requires that, to qualify as a homestead for the exemption, the residence be owned and occupied by a person. Proposed constitutional amendment allows the residence to be owned and occupied by more than one person owing the property in indivision.

Present constitution extends the homestead exemption to the surviving spouse or minor children of a deceased owner when occupied by the surviving spouse or minor children and title is in the name of the husband or wife but to no more than one homestead. Proposed constitutional amendment authorizes the exemption to be extended to a former spouse when the residence is occupied by the former spouse and title is in the name of (a) the surviving spouse as owner of any interest or either or both of the former spouses, (b) the surviving spouse as a usufructuary, or (c) a testamentary trust established for the benefit of the surviving spouse and the descendants of the deceased spouse or surviving spouse.

Proposed constitutional amendment extends the homestead exemption to property owned by an irrevocable trust created by a natural person when the principal beneficiary or beneficiaries of the trust are the settlor or settlors of the trust and were the immediate prior owners of the homestead, and the homestead is occupied as such by a principal beneficiary. Applies only to property which qualified for the homestead exemption immediately prior to transfer, conveyance, or donation in trust, or which would have qualified for the homestead exemption if such property were not owned in trust.

Proposed constitutional amendment extends the exemption to property where the usufruct of the property has been granted to no more than two usufructuaries who were the immediate prior owners of the homestead and the homestead is occupied as such by a usufructuary. Applies only to property which qualified for the homestead exemption immediately prior to the granting of such usufruct, or which would have qualified for the homestead exemption if such usufruct had not been granted.

Proposed constitutional amendment adds the requirement that the homestead exemption only extends to natural persons and to an irrevocable trust created by natural persons in which the beneficiaries of the trust are a natural persons. Requires that the exemption, as applied to property owned in indivision, is limited to the pro rata ownership interest of that person or persons occupying the homestead.

Proposed constitutional amendment prohibits granting a homestead exemption on bond for deed property but excepts exemptions granted prior to June 20, 2003 on any property occupied upon the effective date of the proposed constitutional amendment by a buyer under a bond for deed contract as long as the circumstances giving rise to the exemption at the time the exemption was granted remain applicable.

Proposed constitutional amendment specifically prohibits more than one homestead exemption being extended or applied to any person.

Proposed constitutional amendment retains current constitutional prohibition against extending or applying the homestead exemption to municipal taxes. Also retains current provision that the exemption applies (a) in Orleans Parish, to state, general city, school, levee, and levee district taxes and (b) to any municipal taxes levied for school purposes.

Specifies submission of the amendment to the voters at the election to be held on November

2, 2004.

(Amends Const. Art. VII, Sec. 20(A))