

Regular Session, 1997

SENATE BILL NO. 320

BY SENATORS LENTINI, SCHEDLER, BARHAM, BEAN, CAIN, CAMPBELL, CASANOVA, COX, DARDENNE, DEAN, DYESS, ELLINGTON, FIELDS, GREENE, GUIDRY, HAINKEL, HEITMEIER, HINES, HOLLIS, JONES, JORDAN, LAMBERT, LANDRY, MALONE, ROBICHAUX, ROMERO, SHORT, SMITH, TARVER, AND ULLO

TAX EXEMPTIONS. Constitutional amendment to freeze the tax assessment of the homestead of a person 65 years of age or older, his surviving spouse 55 or older, or his surviving spouse who has minor children. (1/1/99)

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A JOINT RESOLUTION

Proposing to amend Article VII, Section 18(A) and to add Article VII, Section 18(G) of the Constitution of Louisiana, relative to creating a special assessment level for homestead exempt property of persons sixty-five years of age or older; and to specify an election for submission of the proposition to electors and provide a ballot proposition.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state, for their approval or rejection in the manner provided by law, a proposal to amend Article VII, Section 18(A) and to add Article VII, Section 18(G) of the Constitution of Louisiana, effective January 1, 2000, to read as follows:

§18. Ad Valorem Taxes

Section 18. (A) Assessments. Property subject to ad valorem taxation shall be listed on the assessment rolls at its assessed valuation, which, except as provided in Paragraphs (C) **and (G)**, shall be a

1 percentage of its fair market value. The percentage of fair market value
2 shall be uniform throughout the state upon the same class of property.

3 * * *

4 Article VII, Section 18(G) is all proposed new law.

5 (G)(1) Special Assessment Level.

6 (a) The assessment of residential property receiving the
7 homestead exemption owned by any person or persons sixty-five years
8 of age or older shall not be increased in future years above the total
9 assessment of that property for the year that the owner reaches sixty-
10 five years of age or for the first year the owner claims the special
11 assessment level, whichever is later. Any person or persons shall be
12 prohibited from receiving the special assessment as provided in this
13 Section if such person or persons' adjusted gross income, as reported in
14 the federal tax return for the year prior to the application for the
15 assessment, exceeds sixty thousand dollars. For persons applying for
16 the assessment whose filing status is married filing separately, the
17 adjusted gross income for purposes of this Section, shall be determined
18 by combining the adjusted gross income on both returns. Beginning for
19 the tax year 2001, and for each tax year thereafter, the sixty thousand
20 dollar limit shall be adjusted annually by the Consumer Price Index as
21 reported by the United States Government. An owner shall claim this
22 special assessment level by providing written notification to the
23 assessor of the parish or, in the parish of Orleans, the assessor of the
24 district where the property is located that the owner is qualified for the
25 special assessment level.

26 (b) Any millage rate applied to the assessment would not be
27 subject to a ceiling.

1 (2) The special assessment level shall remain on the property as
2 long as:

3 (a) That owner, or that owner's surviving spouse who is fifty-
4 five years of age or older or who has minor children, remain eligible for
5 and receive the special assessment level on that property.

6 (b) The value of the property does not increase more than
7 twenty-five percent because of construction or reconstruction.

8 (c) That owner or such surviving spouse notifies the assessor
9 that the special assessment level is no longer claimed.

10 (3) A new or subsequent owner of the property may claim a
11 special assessment level when eligible under this Section. The new
12 owner is not entitled to the same special assessment level in the
13 property as when that property was owned by the previous owner.

14 (4)(a) The special assessment level on property that is sold shall
15 automatically expire on the last day of December in the year prior to
16 the year that the property is sold. The property shall be immediately
17 revalued at fair market value by the assessor and shall be assessed by
18 the assessor on the assessment roll in the year it was sold at the
19 assessment level provided for in Article VII, Section 18 of the
20 Constitution of Louisiana.

21 (b) This new assessment shall remain in effect until changed as
22 provided by this Section or this constitution.

23 Section 2. Be it further resolved that this proposed amendment shall be
24 submitted to the electors of the state at the congressional primary election to
25 be held in 1998, effective January 1, 2000.

26 Section 3. Be it further resolved that on the official ballot to be used
27 at the election there shall be printed a proposition, upon which the electors of

1 the state shall be permitted to vote FOR or AGAINST, to amend the
 2 Constitution of Louisiana, which proposition shall read as follows:

3 To provide a ceiling on the assessment of residential property
 4 subject to the homestead exemption, which ceiling would be the
 5 assessment as of the year in which the homeowner reaches the
 6 age of sixty-five. (Amends Article VII, Section 18(A); adds
 7 Article VII, Section 18(G))

The original instrument was prepared by Riley Boudreaux. The following digest, which does not constitute a part of the legislative instrument, was prepared by Peggy Russell.

Lentini (SB 320)

DIGEST

Present constitution provides for a homestead exemption for residential property owned and occupied by any person. Seven thousand five hundred dollars of the assessed valuation of such property (i.e. \$75,000 of fair market value) is exempt from many non-municipal ad valorem property taxes.

Proposed constitutional amendment provides a "special assessment level" for homestead exempt property if it is owned and occupied by a person who is 65 or older, or his surviving spouse age 55 or older or who has minor children. The special assessment level is the total assessment of that property for the year that such person became 60, or for the year a written claim to the assessor is made, whichever is later.

The assessment level shall remain as long as:

1. Owner or the owner's spouse remain eligible.
2. The value of the property does not increase by 25% due to construction or reconstruction.
3. The owner or the owner's spouse notifies that the assessment level is no longer claimed.

Proposed constitutional amendment prohibits the receipt of the special assessment if the applicant's adjusted gross income or the combined income of married persons filing tax separately exceeds \$60,000 for the year prior to application. Beginning in 2001 such dollar limit will be adjusted annually by the CPI.

The property is subject to immediate reappraisal and valuation when the property is sold. Thereafter, the property is subject to the normal rules of property tax, including homestead exemption. However, while a new owner is not entitled to the same special assessment level as the previous owner, he

may claim his own if and when he is eligible.

Specifies submission of the amendment to the voters at the congressional primary election to be held in 1998, to become effective January 1, 1999.

(Amends Const. Art. VII, Section 18(A); adds Const. Art. VII, Section 18(G))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill.

1. Change age to qualify for special assessment from 60 to 65.
2. Limits special assessment to surviving spouses age 55 or older or surviving spouses who have minor children.
3. Changes effective date from January 1, 1999 to January 1, 2000.

Senate Floor Amendments to engrossed bill.

1. Adds the following requirements for continuation of assessment level:
 - a. Property value does not increase by 25% due to construction or reconstruction.
 - b. Notification that assessment level is no longer claimed.
2. Adds prohibition against assessment for applicant whose adjusted annual income exceeds \$60,000.
3. Adds provision that \$60,00 threshold shall annually increase by the CPI beginning in 2001.