

SENATE CONFERENCE COMMITTEE REPORT

Senate Bill No. 320 by Senator Lentini, et al.

June 22, 1997

To the Honorable President and Members of the Senate and to the Honorable Speaker and Members of the House of Representatives:

We, the conferees appointed to confer over the disagreement between the two houses concerning Senate Bill 320 by Senator Lentini, et al. recommend the following concerning the Reengrossed bill:

1. That House Committee Amendments 1 through 3 proposed by the House Committee on Civil Law and Procedure and adopted by the House on June 13, 1997 be rejected.
2. That House Committee Amendment No. 1 proposed by the House Committee on Civil Law and Procedure and adopted by the House on June 13, 1997 be rejected.
3. That House Floor Amendments 1 and 2 proposed by Representative Alario and adopted by the House on June 17, 1997 be rejected.
4. That the following amendments to the reengrossed bill be adopted:

AMENDMENT NO. 1

On page 2, delete lines 6 through 27, and on page 3, delete lines 1 through 22, and insert:

"(a)(i) The assessment of residential property receiving the homestead exemption which is owned and occupied by any person or persons sixty-five years of age or older and who meet all of the other requirements of this Section shall not be increased above the total assessment of that property for the first year that the owner qualifies for

and receives the special assessment level, unless the owner fails to qualify for and receive the special assessment level in a subsequent year. Such property of an owner who has failed to qualify for the special assessment level in one year and who requalifies in a subsequent year shall be assessed at the level at which it was assessed for the most recent year the owner failed to receive the special assessment level.

(ii) Any person or persons shall be prohibited from receiving the special assessment as provided in this Section if such person or persons' adjusted gross income, as reported in the federal tax return for the year prior to the application for the special assessment, exceeds fifty thousand dollars. For persons applying for the special assessment whose filing status is married filing separately, the adjusted gross income for purposes of this Section shall be determined by combining the adjusted gross income on both federal tax returns. Beginning for the tax year 2001, and for each tax year thereafter, the fifty thousand dollar limit shall be adjusted annually by the Consumer Price Index as reported by the United States Government. The income requirement to receive the special assessment level shall be met annually by the person or persons receiving the special assessment level.

(iii) An eligible owner shall annually apply for the special assessment level by filing a signed application establishing that the owner qualifies for the special assessment level with the assessor of the parish or, in the parish of Orleans, the assessor of the district where the property is located.

(b) Any millage rate applied to the special assessment level shall not be subject to a limitation.

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

long as:

(a) That owner, or that owner's surviving spouse who is fifty-five years of age or older or who has minor children, remains eligible for and applies annually for the benefit of the special assessment level on that property.

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

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

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

(b) This new assessment level shall remain in effect until changed as provided by this Section or this Constitution."

AMENDMENT NO. 2

On page 4, delete lines 3 through 6, and insert:

"To provide a ceiling on the assessment of residential property subject to the homestead exemption for certain persons age sixty-five or older. (Amends Article VII, Section 18(A); adds"

Respectfully submitted,

Senators:

Representatives:

Senator Robert J. Barham

Representative John A. Alario, Jr.

Senator Arthur J. "Art" Lentini

Representative Billy Montgomery

Senator Francis C. Heitmeier

Representative William Daniel

The legislative instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Riley Boudreaux.

CONFERENCE COMMITTEE REPORT DIGEST

SB No. 320 by Senator Lentini, et al.

Digest of Bill as Finally Passed by the Senate

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 the House

1. Makes special assessment eligibility an annual determination based on the owner's [prior year's] income, and requires the owner to apply annually to the assessor.

Digest of Bill as Proposed by the Conference Committee

Proposed law provides that the assessment of residential property receiving the homestead exemption which is owned and occupied by any person or persons 65 years of age or older shall not be increased above the total assessment of that property for the first year that the owner qualifies for and receives the special assessment level, unless the owner fails to qualify for and receive the special assessment level in a subsequent year. Such property of an owner who has failed to qualify for the special assessment level in one year and who requalifies in a subsequent year shall be assessed at the level at which it was assessed for the most recent year the owner failed to receive the special assessment level.

Any person or persons shall be prohibited from receiving the special assessment if such person or persons' adjusted gross income, as reported in the federal tax return for the year prior to the application for the special assessment, exceeds \$50,000. For persons applying for the special assessment whose filing status is married filing separately, the adjusted gross income shall be determined by combining the adjusted gross income on both federal tax returns. Beginning for the tax year 2001, and for each tax year thereafter, the fifty thousand

dollar limit shall be adjusted annually by the Consumer Price Index.

The income requirement to receive the special assessment level shall be met annually by the person or persons receiving the special assessment level.

An eligible owner shall annually apply for the special assessment level by filing a signed application establishing that the owner qualifies for the special assessment level with the assessor of the parish or, in the parish of Orleans, the assessor of the district where the property is located.

Any millage rate applied to the special assessment level shall not be subject to a limitation.

The special assessment level shall remain on the property as long as:

(1) That owner, or that owner's surviving spouse who is 55 years of age or older or who has minor children, remains eligible for and applies annually for the benefit of the special assessment level on that property.

(2) The value of the property does not increase more than 25% because of construction or reconstruction.

A new or subsequent owner of the property may claim a special assessment level when eligible under the Act. The new owner is not necessarily entitled to the same special assessment level on the property as when that property was owned by the previous owner.

The special assessment level on property that is sold shall automatically expire on the last day of December in the year prior to the year that the property is sold. The property shall be immediately revalued at fair market value by the assessor and shall be assessed by the assessor on the assessment rolls in the year it was sold at the assessment level provided for in Article VII, Section 18 of the Constitution of Louisiana. This new assessment level shall remain in effect until changed as provided by this Section or this Constitution.

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