

Regular Session, 1998

SENATE BILL NO. 29

BY SENATOR BAGNERIS

TAX/TAXATION. Constitutional amendment authorizing a waiver of tax liens and tax liabilities to owners of blighted properties under certain conditions.

1 A JOINT RESOLUTION

2 Proposing to amend Article VII, Section 14(B) of the Constitution of
3 Louisiana, relative to providing certain tax deductions to owners of
4 blighted properties; to authorize a waiver of tax liens and tax liabilities
5 on such properties in certain circumstances; and to specify an election
6 for submission of the proposition to electors and provide a ballot
7 proposition.

8 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of
9 the members elected to each house concurring, that there shall be submitted
10 to the electors of the state, for their approval or rejection in the manner
11 provided by law, a proposal to amend Article VII, Section 14(B) of the
12 Constitution of Louisiana, to read as follows:

13 §14. Donation, Loan, or Pledge of Public Credit

14 * * *

15 B. Authorized Uses. Nothing in this Section shall prevent (1)
16 the use of public funds for programs of social welfare for the aid and

1 support of the needy; (2) contributions of public funds to pension and
2 insurance programs for the benefit of public employees; (3) the pledge
3 of public funds, credit, property, or things of value for public purposes
4 with respect to the issuance of bonds or other evidences of
5 indebtedness to meet public obligations as provided by law; (4) the
6 return of property, including mineral rights, to a former owner from
7 whom the property had previously been expropriated, or purchased
8 under threat of expropriation, when the legislature by law declares that
9 the public and necessary purpose which originally supported the
10 expropriation has ceased to exist and orders the return of the property
11 to the former owner under such terms and conditions as specified by
12 the legislature; (5) acquisition of stock by any institution of higher
13 education in exchange for any intellectual property; ~~or~~ (6) the donation
14 of abandoned or blighted housing property by the governing authority
15 of a municipality or a parish to a nonprofit organization which is
16 recognized by the Internal Revenue Service as a 501(c)(3) or 501(c)(4)
17 nonprofit organization and which agrees to renovate and maintain such
18 property until conveyance of the property by such organization; **(7) the**
19 **deduction of any tax, interest, penalty, or other charges forming the**
20 **basis of tax liens on blighted property so that they may be**
21 **subordinated and waived in favor of any purchaser who is not a**
22 **member of the immediate family of the blighted property owner or**
23 **which is not any entity in which the owner has a substantial**
24 **economic interest, but only in connection with a property renovation**
25 **plan approved by the parish or municipal government where the**
26 **property is located; or (8) the deduction of past due taxes, interest**
27 **and penalties in favor of an owner of a blighted property, but only**

1 when the owner sells the property at less than the appraised value
 2 to facilitate the blighted property renovation plan approved by the
 3 parish or municipal government and only after the renovation is
 4 completed.

* * *

6 Section 2. Be it further resolved that this proposed amendment shall be
 7 submitted to the electors of the state at the congressional primary election to
 8 be held in 1998.

9 Section 3. Be it further resolved that on the official ballot to be used
 10 at the election there shall be printed a proposition, upon which the electors of
 11 the state shall be permitted to vote FOR or AGAINST, to amend the
 12 Constitution of Louisiana, which proposition shall read as follows:

13 To authorize the waiver of tax liens and tax liabilities of owners
 14 of blighted property who have sold the blighted property, at less
 15 than the appraised value, in connection with a property
 16 renovation plan that has been approved by the parish or
 17 municipal government where the property is located. (Amends
 18 Article VII, Section 14(B))

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

Bagneris (SB 29)

DIGEST

Proposed constitutional amendment authorizes the waiver of tax liens on blighted properties if the property is sold in connection with a property renovation plan approved by the parish or municipal government where the property is located. However, the purchaser cannot be a member of the immediate family of the property owner nor can it be an entity in which the owner has a substantial economic interest.

Proposed law authorizes the forgiveness of past due taxes, interest and penalties in favor of the owner of blighted property, but only when the owner sells the property at less than the appraised value to facilitate the blighted

property renovation plan, and only after the renovation is complete.

Specifies submission of the amendment to the voters at the congressional primary election to be held in 1998.

(Amends Const. Art. VII, Sec. 14(B))