
DIGEST

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Murray, et al.

HB No. 617

Present constitution authorizes the State Board of Commerce and Industry (the board), or its successor, subject to the approval of the governor and the local governing authority, to enter into contracts granting to a property owner, who proposes the expansion, restoration, improvement, or development of an existing structure or structures in a downtown, historic, or economic development district, the right for an initial term of five years after completion of the work to pay ad valorem taxes based upon the assessed valuation of the property for the year prior to the commencement of the expansion, restoration, improvement, or development. Such contracts may be renewed, subject to the same conditions, for an additional five years extending the right for a total of 10 years from completion of the work.

Proposed constitutional amendment retains present constitution and authorizes the board to enter into contracts granting to a property owner who proposes the expansion, restoration, improvement, or development of an existing residential structure or structures in Orleans Parish that are at least 40 years old and certified as a blighted property by the New Orleans Redevelopment Authority the right for five years after completion of the work to pay ad valorem taxes in the following manner:

1. For the first year, the owner shall pay tax based upon the assessed valuation of the property in the year prior to the commencement of the work.
2. In years two through five, the owner shall pay tax based upon the assessed valuation of the property prior to the commencement of the work in addition to a percentage of the difference between the actual assessed valuation and the assessed valuation in the year prior to the completion of the work. The percentage ranges from 20% to 80%, with 20% increments in the intervening years.

Proposed constitutional amendment requires the structure to remain residential property for the contract to remain in force for the entire term and provides that the contract shall not take effect until the property subject to the exemption is put into its intended use.

Provides for submission of the proposed amendment to the voters at the gubernatorial primary election in 1999.

(Amends Const. Art. VII, §21(H))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Changes the property which may qualify for the exemption to certain blighted property in Orleans Parish.
2. Provides for one five-year contract term, with increased tax liability in each year of the contract.

3. Provides that the contract shall not take effect until the property subject to the exemption is put into its intended use.