

## RÉSUMÉ DIGEST

ACT 182 (HB 610)

2016 Regular Session

Abraham

Existing law establishes the criteria to be used by assessors in determining the fair market value of real and personal property, so that assessments may be made uniformly throughout the state. The fair market value of property shall be determined by following generally recognized appraisal procedures, specifically: the market approach, the cost approach, or the income approach.

Existing law requires that in using the income approach, an assessor shall use an appraisal technique in which the anticipated net income is processed to indicate the capital amount of the investment which produces the net income.

New law specifies that for purposes of the income approach the anticipated net income is "capitalized" rather than "processed".

New law adds additional criteria concerning the determination of value of residential housing unit property, the operation of which is subject to requirements of Section 42 of the Internal Revenue Code or any similar federal or state program.

New law prohibits the consideration of any value of federal or state tax credits or special financing terms as a component of the property value or as income to the property, including but not limited to: below market interest rate on financing obtained under the Homes Investment Partnership Program under the Cranston-Gonzales National Affordable Housing Act or the Federal Home Loan Bank Affordable Housing Program established pursuant to federal law, and any other federal, state, or similar program intended to provide low-income housing with restricted occupancy and rental rates.

Effective January 1, 2017.

(Amends R.S. 47:2323(C)(3); Adds R.S. 47:2323(E))