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

DIGEST

Present constitution requires property to be taxed for ad valorem tax purposes at its assessed valuation, which is a percentage of its fair market value to be determined in accordance with criteria which shall be established by law.

Present law defines fair market value as the price for property which would be agreed upon between a willing and informed buyer and a willing and informed seller under usual and ordinary circumstances and requires the criteria for determining such value to be generally recognized appraisal procedures: the market approach, the cost approach, and/or the income approach.

Proposed law requires the assessor to value property held for residential development at the purchase price of the land without any subsequent infrastructure improvements according to La. Tax Commission guidelines set forth below. The value remains in place until the last lot of the residential development is sold as a residence. When a particular lot is improved, sold, and occupied as a residence, that improved lot must then be valued utilizing the generally recognized appraisal.

Proposed law requires the tax commission to develop guidelines for the appropriate valuation of property held for residential development which must include but not be limited to:

1. Physical and economic risks.
2. Prevailing interest rates.
3. The inventory of residential real estate in each region of La.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 47:2321 and 2323(C)(intro para); adds R.S. 47:2323(C)(4))