

Regular Session, 2010

SENATE BILL NO. 20

BY SENATOR MURRAY AND REPRESENTATIVE STIAES

TAX/AD VALOREM. Companion to SB21 to authorize extensions of the homestead exemption and/or the special assessment level for owners who are unable to reoccupy their homesteads within the five-year period set forth in present law. (See Act)

1 AN ACT

2 To amend and reenact R.S. 47:1703(E), relative to ad valorem property tax exemptions and
3 assessments; to authorize an extension of the homestead exemption or a special
4 assessment level on property damaged or destroyed in certain disasters or
5 emergencies and provide for claiming the extension; and to provide for related
6 matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:1703(E) is hereby amended and reenacted to read as follows:

9 §1703. Exemptions

10 * * *

11 E. ~~For property~~ **Property** damaged during a disaster or emergency : **the**
12 **following shall apply:**

13 (1)**(a)** Any homestead receiving the homestead exemption that is damaged
14 or destroyed during a disaster or emergency declared by the governor whose owner
15 is unable to occupy the homestead on or before December thirty-first of a calendar
16 year due to such damage or destruction shall be entitled to claim the exemption by
17 filing with the assessor of the parish in which the homestead was located, an annual

1 affidavit of intent to return and reoccupy the homestead within a period of five years
2 from December thirty-first of the tax year in which the disaster occurred. In no event
3 shall more than one homestead exemption extend or apply to any person in this state.

4 **(b)(i) For homesteads qualifying for the homestead exemption under the**
5 **provisions of this Paragraph, after expiration of the five-year period, the owner**
6 **of a homestead shall be entitled to claim and keep the exemption for a period**
7 **not to exceed two additional years by filing an annual affidavit of intent to**
8 **return and reoccupy the homestead with the assessor within the parish where**
9 **such homestead is situated. A homeowner shall only be eligible for this**
10 **extension if the homeowner's damage claim to repair or rebuild the damaged**
11 **or destroyed homestead is filed and pending in a formal appeal process with any**
12 **federal, state, or local government agency or program offering grants or**
13 **assistance for repairing or rebuilding damaged or destroyed homes as a result**
14 **of the disaster. The assessor shall require the homeowner to provide official**
15 **documentation from the government agency or program evidencing the**
16 **homeowner's participation in the formal appeal process.**

17 **(ii) After expiration of the extension authorized in Item (i) of this**
18 **Subparagraph, an assessor shall have the authority to grant up to three**
19 **additional one-year extensions of the homestead exemption on a case-by-case**
20 **basis. A homeowner shall be eligible for an additional extension if the owner**
21 **has made a good faith attempt to secure a contractor or builder to complete the**
22 **needed repairs or reconstruction of the home, but is unable to complete the**
23 **project due to uncontrollable contractor or builder delays. In order to qualify**
24 **for this extension, the homeowner shall provide to the assessor documentation**
25 **evidencing good faith in attempting to secure a contractor or builder to**
26 **complete the project.**

27 (2)(a) Any owner entitled to the special assessment level set forth in Article
28 VII, Section 18(G) of the Constitution of Louisiana who is unable to occupy the
29 homestead on or before December thirty-first of a future calendar year due to

1 damage or destruction of the homestead caused by a disaster or emergency declared
2 by the governor shall be entitled to keep the special assessment level of the
3 homestead prior to its damage or destruction on the repaired or rebuilt homestead
4 provided the repaired or rebuilt homestead is occupied by the owner within five
5 years from December thirty-first of the year following the disaster. The assessed
6 value of the land and buildings on which the homestead was located prior to its
7 damage shall not be increased above its assessed value immediately prior to the
8 damage or destruction described in this Paragraph. If the property owner receives a
9 homestead exemption on another homestead during the same five-year period, the
10 damaged or destroyed property shall not be entitled to keep the special assessment
11 level, and the land and buildings shall be assessed in that year at the percentage of
12 fair market value set forth in the constitution. In addition, the owner must also
13 maintain the homestead exemption set forth in Article VII, Section 20(A)(10) of the
14 Constitution of Louisiana to qualify for the special assessment level set forth in
15 Article VII, Section 18(G)(5) of the Constitution of Louisiana.

16 **(b)(i) Any owner entitled to the special assessment level as provided for**
17 **in this Paragraph who is unable to reoccupy his homestead within five years**
18 **from December thirty-first of the year following the disaster shall be eligible for**
19 **an extension of the special assessment level on the homestead for a period not**
20 **to exceed two years. A homeowner shall only be eligible for this extension if the**
21 **homeowner's damage claim is filed and pending in a formal appeal process with**
22 **any federal, state, or local government agency or program offering grants or**
23 **assistance for repairing or rebuilding damaged or destroyed homes as a result**
24 **of the disaster. The homeowner shall apply for this extension of the special**
25 **assessment level directly with the assessor of the parish in which the homestead**
26 **is located. The assessor shall require the homeowner to provide official**
27 **documentation from the government agency or program evidencing the**
28 **homeowner's participation in the formal appeal process.**

29 **(ii) After expiration of the extension authorized in Item (i) of this**

1 **Subparagraph, an assessor shall have the authority to grant up to three**
 2 **additional one-year extensions of the special assessment level on a case-by-case**
 3 **basis. A homeowner shall be eligible for an additional extension if the owner**
 4 **has made a good faith attempt to secure a contractor or builder to complete the**
 5 **needed repairs or reconstruction of the home but is unable to complete the**
 6 **project due to uncontrollable contractor or builder delays. In order to qualify**
 7 **for this extension, the homeowner shall provide to the assessor documentation**
 8 **evidencing good faith in attempting to secure a contractor or builder to**
 9 **complete the project.**

10 Section 2. This Act shall take effect and become operative if, as, and when the
 11 proposed amendment of Article VII, Section 18(G)(5) and Article VII, Section 20(A)(10)
 12 of the Constitution of Louisiana contained in the Act which originated as Senate Bill No. 21
 13 of this 2010 Regular Session of the Legislature is adopted at the statewide election to be held
 14 on November 2, 2010.

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

DIGEST

Murray (SB 20)

Present law statutorily recognizes the requirement in Const. Art. VII, Sec. 20(A)(10) which authorizes homesteads whose owners are unable to occupy them on or before December 31st of a calendar year due to damage or destruction during a disaster or emergency declared by the governor to retain the exemption by filing an annual affidavit of intent to return and reoccupy the homestead within five years from December 31st of the year following the disaster with the assessor within the parish or district where the homestead is situated.

Present law statutorily recognizes the requirement in Const. Art. VII, Sec. 18(G)(5) which authorizes owners entitled to the "special assessment level" who are unable to occupy their homesteads on or before December 31st of a "future" calendar year due to damage or destruction of the homestead caused by a disaster or emergency declared by the governor to retain the "special assessment level" of the homestead prior to its damage or destruction on the repaired or rebuilt homestead provided the repaired or rebuilt homestead is reoccupied by the owner within five years from December 31st of the year following the disaster.

Proposed law is a companion bill to authorize the extensions of both 5-year periods as follows:

1. For up to 2 years by filing an annual affidavit of intent to return and reoccupy the homestead with the assessor within the parish where such homestead is situated and only if the homeowner's damage claim to repair or rebuild the homestead is filed and pending in a formal appeal process with any federal, state, or local government agency or program offering grants or assistance for repairing or rebuilding damaged

- or destroyed homes as a result of the disaster. The assessor must require the homeowner to provide official documentation from the government agency or program evidencing the homeowner's participation in the formal appeal process.
2. After expiration of the two-year extension set forth above, an assessor is authorized to grant up to three additional one-year extensions of the homestead exemption or special assessment level on a case-by-case basis if the homeowner has made a good faith attempt to secure a contractor or builder to complete the needed repairs or reconstruction of the home, but is unable to complete the project due to uncontrollable contractor or builder delays. Requires the homeowner to provide to the assessor documentation evidencing good faith in attempting to secure a contractor or builder to complete the project.

Effective if, as, and when the proposed amendment of Const. Art. VII, Secs. 18(G)(5) and 20(A)(10) contained in Senate Bill No. 21 is adopted at the statewide election to be held on Nov. 2, 2010.

(Amends R.S. 47:1703(E))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill.

1. Deletes an automatic 5-year extension of the homestead exemption and the special assessment level and substitutes the 2-year and three, year-by-year extensions set forth in the Digest above.