

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 be eligible for this extension
10 only if the homeowner's damage claim to repair or rebuild the damaged or
11 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 or in a legal claim or action against the homeowner's insurer or
15 insurers. The assessor shall require the homeowner to provide official
16 documentation from the government agency or program evidencing the
17 homeowner's participation in the formal appeal process or evidence showing the
18 homeowner has a legal claim filed and pending against the insurer or insurers
19 of the damaged property.

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

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

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

1 parish in which the homestead is located. The assessor shall require the
 2 homeowner to provide official documentation from the government agency or
 3 program evidencing the homeowner's participation in the formal appeal process
 4 or official documentation showing the homeowner has a legal claim filed and
 5 pending against the insurer or insurers of the damaged property.

6 (ii) After expiration of the extension authorized in Item (i) of this
 7 Subparagraph, an assessor shall have the authority to grant up to three
 8 additional one-year extensions of the special assessment level on a case-by-case
 9 basis. A homeowner shall be eligible for an additional extension if the owner
 10 has made a good faith attempt to secure a contractor or builder to complete the
 11 needed repairs or reconstruction of the home but is unable to complete the
 12 project due to uncontrollable contractor or builder delays. In order to qualify
 13 for this extension, the homeowner shall provide to the assessor documentation
 14 evidencing good faith in attempting to secure a contractor or builder to
 15 complete the project.

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

The original instrument was prepared by Riley Boudreaux. The following digest, which does not constitute a part of the legislative instrument, was prepared by Michelle Broussard-Johnson.

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 or in a legal claim or action against the homeowner's insurer or insurers. 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 or evidence showing the homeowner's legal claim filed and pending against the insurer or insurers of the damaged property.
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.

Senate Floor Amendments to engrossed bill.

1. Technical amendments to clarify language
2. Adds eligibility for the extension if the homeowner has a legal claim filed and pending against the insurer or insurer(s) of the damaged property.