ACT No. 182

HOUSE BILL NO. 610

BY REPRESENTATIVES ABRAHAM AND BARRAS

1	AN ACT
2	To amend and reenact R.S. 47:2323(C)(3) and to enact R.S. 47:2323(E), relative to ad
3	valorem property tax assessments; to provide with respect to the fair market
4	valuation of property for purposes of assessment; to prohibit consideration of the
5	value of certain federal tax and financial benefits for certain residential housing unit
6	property in determining fair market value; to provide with respect to the income
7	approach for property valuation; to provide for effectiveness; and to provide for
8	related matters.
9	Be it enacted by the Legislature of Louisiana:
10	Section 1. R.S. 47:2323(C)(3) is hereby amended and reenacted and R.S. 47:2323(E)
11	is hereby enacted to read as follows:
12	§2323. Criteria for determining fair market value; real and personal property;
13	unoccupied residential immovable property
14	* * *
15	C. Criteria.
16	The fair market value of real and personal property shall be determined by
17	the following generally recognized appraisal procedures: the market approach, the
18	cost approach, and/or the income approach.
19	* * *

HB NO. 610 ENROLLED

1	(3) In utilizing the income approach, the assessor shall use an appraisal
2	technique in which the anticipated net income is processed capitalized to indicate the
3	capital amount of the investment which produces the net income.
4	* * *
5	E. When performing a valuation of any affordable rental housing property,
6	the assessor shall not consider any of the following in determining fair market value:
7	(1) Income tax credits available to the property under Section 42 of the
8	Internal Revenue Code.
9	(2) Below-market interest rate on financing obtained under the Home
10	Investment Partnership Program under the Cranston-Gonzales National Affordable
11	Housing Act, or the Federal Home Loan Bank Affordable Housing Program
12	established pursuant to the Financial Institution Reform, Recovery, and Enforcement
13	Act of 1989.
14	(3) Any other federal, state, or similar program intended to provide or
15	finance affordable rental housing to persons of low or moderate income and
16	requiring restricted occupancy and rental rates based on the income of the persons
17	occupying such housing.
18	Section 2. This Act shall become effective on January 1, 2017.
	SPEAKER OF THE HOUSE OF REPRESENTATIVES
	PRESIDENT OF THE SENATE
	GOVERNOR OF THE STATE OF LOUISIANA
	APPROVED: