

2018 Regular Session

HOUSE BILL NO. 468

BY REPRESENTATIVE LEGER

TAX/AD VALOREM TAX: Provides relative to phasing in ad valorem tax assessment increases under certain circumstances

1 AN ACT

2 To enact R.S. 47:1951.4, relative to ad valorem property tax; to provide with respect to the
3 assessment of property subject to tax; to authorize adjustments to assessed values
4 under certain circumstances; to provide for procedures and limitations; to provide for
5 effectiveness; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:1951.4 is hereby enacted to read as follows:

8 §1951.4 Increases in assessments; phase-in of certain increases

9 A. Pursuant to Article VII, Section 18(F) of the Constitution of Louisiana,
10 in the year of implementation of a reappraisal of all property, if the assessed value
11 of real or immovable property increases by an amount which is greater than fifteen
12 percent of the property's assessed value in the previous year, the assessor shall phase-
13 in the amount of the increase in the property's assessed value over a three-year period
14 as follows:

15 (i) In the first year following reappraisal, the assessor shall use the property's
16 assessed value from the previous reappraisal as the base amount and shall increase
17 the assessed value of the property by adding an amount which is equal to one-third
18 of the amount of the increase in the property's assessed value as a result of the
19 reappraisal. This resulting amount shall constitute the property's assessed value
20 solely for purposes of ad valorem taxation for that taxable year.

1 (ii) In the second year following reappraisal, the assessor shall use the
2 property's assessed value from the previous year as the base amount and shall
3 increase the assessed value of the property by adding an amount which is equal to
4 one-third of the amount of the increase in the property's assessed value as a result of
5 the reappraisal. This resulting amount shall constitute the property's assessed value
6 solely for purposes of ad valorem taxation for that taxable year.

7 (iii) In the third year following reappraisal, the assessor shall use the
8 property's assessed value from the previous year as the base amount and shall
9 increase the assessed value of the property by adding an amount which is equal to
10 one-third of the amount of the increase in the property's assessed value as a result of
11 reappraisal. This resulting amount shall constitute the property's assessed value
12 solely for purposes of ad valorem taxation for that taxable year and the full amount
13 of the increase in the assessed value of the property shall be fully phased-in.

14 (b) Real or immovable property subject to the provisions of this Section shall
15 not be subject to reappraisal by an assessor until after the three-year phase-in of the
16 amount of the increase in the property's assessed value is complete.

17 (c) The increase in assessed valuation of property phased-in as provided in
18 this Section shall be included as taxable property for purposes of any subsequent
19 reappraisals and valuation for millage adjustment purposes under Article VII,
20 Section 23(B) of the Constitution of Louisiana.

21 (d) The provisions of this Section shall not apply to the extent the increase
22 was attributable to construction on or improvements to the property.

23 Section 2. This Act shall take effect and become operative on January 1, 2019, if and
24 when the proposed amendment of Article VII of the Constitution of Louisiana contained in
25 the Act which originated as House Bill No. ___ of this 2018 Regular Session of the
26 Legislature is adopted at a statewide election and becomes effective.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 468 Original

2018 Regular Session

Leger

Abstract: Authorizes and establishes the procedure for a 3 year phase-in of ad valorem property tax assessment increases if there is an increase of more than 15% during a statewide reappraisal.

Present constitution requires property subject to ad valorem taxes to be listed on the assessment rolls at its assessed value which is a percentage of its fair market value. Requires all property subject to taxation to be reappraised and valued at intervals of not more than four years.

Proposed constitutional amendment (HB No. ___) retains the present constitution but provides that in a reassessment year, if the property's assessed value increases by greater than 15% of the amount of the property's assessed value in the previous year, the assessor shall phase-in the amount of the increase in the property's assessed value over a three-year period.

Proposed law provides that in a reassessment year, if the property's assessed value increases by greater than 15% of the amount of the property's assessed value in the previous year, the assessor shall phase-in the amount of the increase in the property's assessed value over a three-year period. The increase in the assessment shall occur in one-third increments.

Proposed law provides that the increase in assessed valuation of property phased-in shall be included as taxable property for purposes of any subsequent reappraisals and valuation for millage adjustment purposes under present constitution.

Proposed law provides that a phased in assessment increase shall not apply to the extent the increase was attributable to construction on or improvements to the property.

Effective January 1, 2019, if and when the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. ___ of this 2018 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Adds R.S. 47:1951.4)