

2026 Regular Session

HOUSE BILL NO. 217

BY REPRESENTATIVE HENRY

TAX/AD VALOREM-EXEMPTION: Authorizes an optional property tax exemption for blighted or derelict properties that have been rehabilitated

1 AN ACT

2 To enact R.S. 47:1703.2, relative to ad valorem taxes; to provide for ad valorem property tax
3 exemptions; to authorize parishes to grant ad valorem tax exemptions for certain
4 property; to provide for administration of the exemptions; to provide for definitions;
5 to provide for limitations and requirements; to authorize the promulgation of rules;
6 to provide for applicability; to provide for effectiveness; and to provide for related
7 matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:1703.2 is hereby enacted to read as follows:

10 §1703.2. Exemption; optional exemption for certain rehabilitated property

11 A. The purpose of this Section is to provide for implementation of the
12 optional ad valorem tax exemption authorized pursuant to Article VII, Section 21(P)
13 of the Constitution of Louisiana for blighted or derelict property that has been
14 rehabilitated. If implemented by a parish, the exemption shall apply to all millages
15 imposed within the parish and shall be subject to the conditions, requirements, and
16 limitations established in this Section.

17 B. For purposes of this Section, the following terms shall have the meanings
18 ascribed to them in this Subsection:

19 (1) "Blighted property" means any immovable property that has been
20 declared or certified as blighted and declared a public nuisance by a court of

1 competent jurisdiction or an administrative hearing officer acting in accordance with
2 applicable law.

3 (2) "Derelict property" means any building or other structure which has any
4 of the following characteristics:

5 (a) Is structurally unsafe.

6 (b) Does not have adequate egress.

7 (c) Constitutes a fire hazard.

8 (d) Is otherwise dangerous to human life.

9 (e) Because of existing use or condition, constitutes a hazard to public safety,
10 health, or welfare by reason of inadequate maintenance, dilapidation, obsolescence,
11 fire hazard, or abandonment.

12 C. A parish governing authority may, by resolution, elect to implement the
13 ad valorem tax exemption authorized in Article VII, Section 21(P) of the
14 Constitution of Louisiana for blighted or derelict property that has been rehabilitated.
15 Any parish governing authority that elects to implement the exemption shall
16 establish all of the following:

17 (1) A process by which a property owner may apply for the exemption.

18 (2) Rehabilitation standards that a property must meet in order to qualify for
19 the exemption.

20 (3) Criteria for approving an application for the exemption.

21 (4) Conditions for revocation of a previously approved exemption.

22 (5) Any other policies or procedures as may be necessary for administration
23 of the exemption.

24 D. The terms of the exemption shall be as follows:

25 (1) For residential property, not more than seventy-five percent of the
26 assessed value of the property may be exempted from ad valorem taxation for a
27 period not exceeding twenty years.

28 (2) For a tract or lot of unimproved land, not more than twenty-five percent
29 of the assessed value of the property may be exempted from ad valorem taxation for

- (2) Rehabilitation standards that a property must meet in order to qualify for the exemption.
- (3) Criteria for approving an application for the exemption.
- (4) Conditions for revocation of a previously approved exemption.
- (5) Any other policies or procedures necessary for administration of the exemption.

Proposed law establishes that for qualifying residential property, not more than 75% of the assessed value of the property may be exempted from ad valorem taxation for a period not to exceed 20 years.

Proposed law establishes that for qualifying unimproved land, not more than 25% of the assessed value of the property may be exempted from ad valorem taxation for a period not to exceed 10 years. Stipulates that exemptions for unimproved land shall be subject to certain conditions and restrictions provided in proposed law. Prohibits granting exemptions for more than two tracts or lots of unimproved land to any property owner.

Proposed law limits eligibility for the exemption to property owners who hold title to the property identified in the application for the exemption.

Proposed law authorizes the La. Tax Commission to promulgate administrative rules as necessary to implement proposed law.

Proposed law applies to tax years beginning on or after Jan. 1, 2027.

Effective Jan. 1, 2027, if the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. ____ of this 2026 R.S. is adopted at a statewide election and becomes effective.

(Adds R.S. 47:1703.2)