

2026 Regular Session

HOUSE BILL NO. 217

BY REPRESENTATIVES CHANCE HENRY, BACALA, BAMBURG, BILLINGS, BRYANT, CHASSION, COX, FISHER, HEBERT, JACKSON, TRAVIS JOHNSON, MANDIE LANDRY, TERRY LANDRY, MARCELLE, MARTINEZ, MCMAHEN, WALTERS, WYBLE, AND YOUNG

TAX/AD VALOREM-EXEMPTION: Authorizes an optional property tax exemption for blighted or derelict properties that have been rehabilitated and provides with respect to local redevelopment plans

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.

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

3 (1) "Blighted property" means any immovable property that has been
4 declared or certified as blighted and declared a public nuisance by a court of
5 competent jurisdiction or an administrative hearing officer acting in accordance with
6 applicable law.

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

9 (a) Is structurally unsafe.

10 (b) Does not have adequate egress.

11 (c) Constitutes a fire hazard.

12 (d) Is otherwise dangerous to human life.

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

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

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

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

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

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

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

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

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

5 (2) For a tract or lot of unimproved land, not more than twenty-five percent
6 of the assessed value of the property may be exempted from ad valorem taxation for
7 a period not exceeding ten years. In order to qualify for the exemption, a tract or lot
8 of unimproved land shall be adjacent to a tract or lot upon which a residential or
9 commercial structure is situated. No property owner may be granted exemptions for
10 more than two tracts or lots of unimproved land.

11 E. No property owner shall be eligible for any exemption authorized
12 pursuant to this Section unless the owner holds title to the property identified in the
13 application for the exemption.

14 F. The Louisiana Tax Commission may promulgate rules in accordance with
15 the Administrative Procedure Act as are necessary to implement the provisions of
16 this Section.

17 G. Notwithstanding any provision of this Section to the contrary, a parish or
18 municipality may elect, by ordinance or resolution, to opt out of the property tax
19 limitations established herein for properties that are:

20 (1) Located within a designated redevelopment area, blight elimination zone,
21 or similar district established by the governing authority; and

22 (2) Subject to an adopted redevelopment plan that includes the use of
23 property tax revenues to support public financing mechanisms, including but not
24 limited to bonds, reimbursements, or other tools intended to address appraisal gaps
25 or fund site preparation, infrastructure, or redevelopment costs.

26 H. For purposes of this Section, a redevelopment area may include any
27 geographic area designated by the governing authority, including areas up to and
28 including the full jurisdictional boundaries of the governing authority, as defined in
29 the adopted redevelopment plan.

1 I. The governing authority may designate one or more public entities,
 2 nonprofit organizations, or qualified development entities to support the creation,
 3 implementation, or administration of redevelopment plans, to assist in accessing or
 4 deploying financing mechanisms authorized under such plans, and to facilitate or
 5 undertake redevelopment activities necessary to carry out such plans.

6 J. The duration, scope, and application of any such election shall be
 7 determined by the governing authority in accordance with the adopted
 8 redevelopment plan and applicable law.

9 K. Any governing authority or designated entity responsible for the
 10 administration or investment of property tax revenues pursuant to a redevelopment
 11 plan adopted under this Section that includes the use of such revenues to support the
 12 redevelopment of blighted or formerly blighted properties shall be subject to
 13 financial oversight, including periodic audits or financial reporting, in accordance
 14 with applicable law or as determined appropriate by the governing authority.

15 Section 2. The provisions of this Act shall apply to tax years beginning on or after
 16 January 1, 2027.

17 Section 3. This Act shall become effective on January 1, 2027, but only if the
 18 proposed amendment of Article VII of the Constitution of Louisiana contained in the Act
 19 which originated as House Bill No. 214 of this 2026 Regular Session of the Legislature is
 20 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 217 Reengrossed

2026 Regular Session

Chance Henry

Abstract: Authorizes a parish governing authority to implement a property tax exemption for blighted or derelict properties that have been rehabilitated and provides with respect to local redevelopment plans.

Proposed law provides for implementation of an optional ad valorem tax exemption for blighted or derelict property that has been rehabilitated. Requires that the exemption, if implemented by a parish, apply to all millages imposed within the parish.

Proposed law defines "blighted property" and "derelict property" for purposes of the property tax exemption.

Proposed law allows parish governing authorities, by resolution, to elect to implement the exemption. Requires a parish governing authority electing to implement the exemption to establish all of the following:

- (1) A process by which a property owner may apply for the exemption.
- (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 parishes and municipalities to opt out of certain property tax limitations for properties located within a designated redevelopment area, blight elimination zone, or similar district and that are subject to an adopted redevelopment plan that meets requirements provided in proposed law.

Proposed law authorizes governing authorities to designate entities to support the creation, implementation, or administration of redevelopment plans; to assist in accessing or deploying financing mechanisms authorized under those plans; and to facilitate or undertake redevelopment activities necessary to carry out the plans.

Proposed law requires that the duration, scope, and application of a particular election be determined by the governing authority in accordance with the adopted redevelopment plan and applicable law.

Proposed law requires that any governing authority or other entity responsible for administration or investment of property tax revenues pursuant to a redevelopment plan adopted in accordance with proposed law that includes the use of such revenues to support redevelopment of blighted, or formerly blighted, properties be subject to certain forms of financial oversight as provided in proposed law.

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. 214 of this 2026 R.S. is adopted at a statewide election and becomes effective.

(Adds R.S. 47:1703.2)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Make a technical change.

The House Floor Amendments to the engrossed bill:

1. Authorize parishes and municipalities to opt out of certain property tax limitations for properties located within a designated redevelopment area, blight elimination zone, or similar district and that are subject to an adopted redevelopment plan that meets certain requirements.
2. Authorize governing authorities to designate entities to support the creation, implementation, or administration of redevelopment plans; to assist in deploying financing mechanisms authorized under those plans; and to facilitate redevelopment activities necessary to carry out the plans.
3. Require that the duration, scope, and application of a particular election be determined by the governing authority in accordance with the adopted redevelopment plan and applicable law.
4. Require that any governing authority or other entity responsible for administration or investment of property tax revenues pursuant to a redevelopment plan that includes the use of such revenues to support redevelopment of blighted, or formerly blighted, properties be subject to certain forms of financial oversight.