
DIGEST

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HB 359 Original

2016 Regular Session

Moreno

Abstract: Requires that certain income and other restrictions be considered in the calculations used to determine the fair market value of certain low-income housing property for purposes of ad valorem tax assessment.

Present constitution requires the assessment of property for purposes of ad valorem taxation based on a percentage of the property's fair market value.

Present law requires that uniform criteria be used by assessors in the determination of fair market value for real and personal property. Fair market value is determined by using the following generally recognized appraisal procedures: the market approach, the cost approach, or the income approach.

Present law requires that in using the income approach, an assessor shall use an appraisal technique in which the anticipated net income is processed to indicate the capital amount of the investment which produces the net income.

Proposed law retains present law but adds specific requirements concerning the determination of fair market value of low-income housing properties.

Proposed law requires that any calculation based on income generated by the property shall be made utilizing the actual income restricted rents and any other specific operational requirements applicable to the property. Further, a low-income housing property shall not be considered comparable real property for the assessment or an appeal of an assessment of other properties.

Proposed law defines "low income housing property" for purposes of proposed law as a property eligible for any of the following: federal income tax credits available under federal law; below market interest rate on financing obtained under the Homes Investment Partnership Program under the Cranston-Gonzales National Affordable Housing Act or the Federal Home Loan Bank Affordable Housing Program established pursuant to federal law; or, any other federal, state, or similar program intended to provide low-income housing with restricted occupancy and rental rates.

Effective January 1, 2017.

(Amends R.S. 47:2323(C)(intro. para.); Adds R.S. 47:2323(C)(4))