

2018 Regular Session

HOUSE BILL NO. 893 (Substitute for House Bill No. 382 by Representative Connick)

BY REPRESENTATIVE CONNICK

TAX/AD VALOREM TAX: Provides with respect to the development of appraisals and assessments of public service properties by the La. Tax Commission

1 AN ACT

2 To amend and reenact R.S. 47:1853(B)(3) and 1855(E), relative to ad valorem property tax
3 assessments for public service properties; to require the retention of certain
4 information relative to appraisals and allocations of value; and to provide for related
5 matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:1853(B)(3) and 1855(E) are hereby amended and reenacted to
8 read as follows:

9 §1853. Appraisal of public service properties

10 * * *

11 B.

12 * * *

13 ~~(3) Notwithstanding any other law to the contrary, for the years 1993 and~~
14 ~~1994, the commission shall allocate the value of all inventories of natural gas owned~~
15 ~~by a pipeline company in this state to each tax jurisdiction in which the inventories~~
16 ~~are located according to its long-held administrative construction and interpretation~~
17 ~~of the law. At the expiration of the time provided herein, the commission shall~~
18 ~~develop a fair, equitable, and consistent system of valuation of such inventories for~~
19 ~~all parishes affected by any revisions to ad valorem property tax procedures;~~

1 including but not limited to the parishes of Bienville, East Carroll, Lincoln, and West
2 Carroll.

3 (3) The commission shall retain in the record of the appraisal the rationale
4 for the determination of the appraisal approach utilized in the valuation.

5 * * *

6 §1855. Allocation of assessed value

7 * * *

8 E. Provided, however, that the Louisiana Tax Commission shall eliminate
9 or adjust one or more of the above factors in any instance in which the use thereof
10 does not accurately reflect the fair market value assignable to company property
11 within this state. In such instance, the commission shall retain in the record of the
12 appraisal, the analysis used to make the determination that one or more of the factors
13 established in Subsection D where not utilized in the appraisal.

14 * * *

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 893 Engrossed 2018 Regular Session Connick

Abstract: Requires retention of records by the La. Tax Commission concerning its appraisals of public service properties.

Present constitution and present law require that the La. Tax Commission (commission) assess public service properties for purposes of property tax. Public service properties include airlines, barge lines, electric companies, transportation companies, gas companies, insurance companies, and financial institutions.

Present law requires the commission to annually appraise each public service company by September 1st, based on information provided by the property owner. The commission uses the following techniques to appraise the fair market value of these properties: market approach, cost approach, and income approach. All public service properties of the same nature and kind are required to be appraised in the same manner.

Proposed law retains present law and adds a requirement that the commission maintain within its record for each appraisal, the rationale for the determination of the appraisal approach utilized in the valuation.

Present law provides that for purposes of allocation of value of inventories of natural gas owned by a La. pipeline company, the assessments for 1993 and 1994 in the parishes of Bienville, East Carroll, Lincoln, West Carroll, and other parishes shall allocate the value of

this property to each tax jurisdiction in which the inventories are located according to long-held administrative construction and interpretation of the law. Thereafter, the La. Commission is required to develop a fair, equitable, and consistent system of valuation of those inventories.

Proposed law repeals obsolete provisions of present law.

Present law establishes specific factors to be used in the allocation of assessed value of public service properties which involve property used both inside and outside of La. The commission has discretion to utilize specific factors as it deems appropriate.

Proposed law retains present law and requires that the commission retain in its record of each appraisal, the analysis used to make a determination to use certain factors in favor of other factors.

(Amends R.S. 47:1853(B)(3) and 1855(E))