

2019 Regular Session

SENATE BILL NO. 80

BY SENATOR CARTER

TAX/AD VALOREM. Provides relative to the ad valorem tax exemption in Orleans Parish for affordable housing. (See Act)

1 AN ACT

2 To enact R.S. 47:1716, relative to ad valorem tax exemptions in Orleans Parish; to authorize
3 the city of New Orleans to grant ad valorem tax exemptions for affordable housing;
4 to provide for rulemaking; and to provide for related matters.

5 Notice of intention to introduce this Act has been published.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:1716 is hereby enacted to read as follows:

8 **§1716. Ad valorem tax exemptions for affordable housing in Orleans Parish**

9 **A. The city of New Orleans may grant any owner of immovable property**
10 **located within Orleans Parish an ad valorem tax exemption for the purpose of**
11 **affordable housing subject to the authority granted pursuant to Article VII,**
12 **Section 21(O) of the Louisiana Constitution and this Section.**

13 **B. The New Orleans Office of Community Development, or its designee,**
14 **in conjunction with the New Orleans City Council shall promulgate rules and**
15 **regulations for determining when and what kind of ad valorem tax exemption**
16 **is appropriate in different situations, including programs to complement local**
17 **inclusionary zoning policies. These programs may assist with new construction**

1 or renovation of affordable units, expiring affordability of existing units, and
2 programs to assist lower income homeowners, and shall be approved by the
3 New Orleans City Council.

4 C. Any property subject to an ad valorem tax exemption shall remain on
5 the assessment rolls for Orleans Parish, provided, the ad valorem tax related to
6 the subject property shall be reflected as the amount determined by the city of
7 New Orleans.

8 D. Ad valorem tax exemptions determined by the city, or its designee,
9 shall be transferable only if the rules and regulations promulgated by the Office
10 of Community Development allow for transferability or if the new owner is
11 similarly situated with regards to the rules and regulations.

12 E. No ad valorem exemption shall be granted pursuant to Article VII,
13 Section 21(O) of the Louisiana Constitution or this Section until the rules
14 provided for in Subsection B of this Section are finally adopted and effective.
15 Before the rules are finally adopted, the New Orleans Office of Community
16 Development and the New Orleans City Council shall publish the proposed
17 rules in the official journal of the parish for not less than thirty days before the
18 rules become effective and shall hold not less than one public hearing on the
19 proposed rules during that thirty-day period. During the thirty-day period, the
20 New Orleans City Planning Commission shall review the proposed rules and
21 make recommendations to the New Orleans Office of Community Development
22 and the New Orleans City Council.

23 Section 2. This Act shall take effect and become operative if and when the proposed
24 amendment of Article VII, Section 21(O) of the Constitution of Louisiana contained in the
25 Act which originated as Senate Bill No. 79 of this 2019 Regular Session of the Legislature
26 is adopted at the statewide election to be held on October 12, 2019, and becomes effective.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

DIGEST

SB 80 Reengrossed

2019 Regular Session

Carter

Present law provides for limited exemptions from ad valorem tax.

Proposed law authorizes the city of New Orleans to grant any owner of immovable property located within Orleans Parish an ad valorem tax exemption for the purpose of affordable housing.

Proposed law authorizes the New Orleans Office of Community Development, or its designee, in conjunction with the New Orleans City Council, to promulgate rules for determining the nature and amount of the ad valorem tax exemption and provides that the rules shall be approved by the council of the city of New Orleans.

Proposed law authorizes rules to include programs to complement local inclusionary zoning policies and programs that assist with new construction or renovation of affordable units, expiring affordability of existing units, and programs to assist lower income homeowners.

Proposed law provides that property subject to an ad valorem tax exemption for affordable housing remain on the assessment rolls with the tax amount as determined by the exemption.

Proposed law provides that ad valorem tax exemptions granted by the city of New Orleans are transferable only if a transfer is provided for in the rules adopted by the New Orleans Office of Community Development or if the new owner is similarly situated.

Proposed law provides that the rules addressing the nature and amount of permissible ad valorem tax exemptions shall be finalized before any ad valorem exemption can be granted.

Proposed law requires publication of the proposed rules in the official journal of the parish for not less than 30 days before the rules become effective.

Proposed law requires at least one public hearing during the 30-day publication period.

Proposed law requires the New Orleans City Planning Commission to review the proposed rules and make recommendations regarding the proposed rules during the 30-day publication period.

Effective if and when the proposed addition of Article VII, Section 21(O) of the Constitution of Louisiana contained in the Act which originated as SB 79 of the 2019 RS is adopted at the statewide election to be held on October 12, 2019, and becomes effective.

(Adds R.S. 47:1716)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Provides for the type of programs to be authorized by rule.
2. Adds citation to proposed constitutional amendment.

Senate Floor Amendments to engrossed bill

1. Adds the New Orleans City Council to the rulemaking process.
2. Requires rules to be finalized before any ad valorem exemption can be granted.
3. Requires publication of proposed rules not less than 30 days before effectiveness.
4. Requires at least one public hearing before rules become final.
5. Requires New Orleans City Planning Commission to review proposed rules and make recommendations.