RÉSUMÉ DIGEST

ACT 422 (HB 217) **2026 Regular Session** **Chance Henry**

New 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.

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

New 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.

New 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.

New 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 new law. Prohibits granting exemptions for more than two tracts or lots of unimproved land to any property owner.

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

New 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 new law.

New 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.

New 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.

New 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 new 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 new law.

New law authorizes the La. Tax Commission to promulgate administrative rules as necessary to implement new law.

New 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 Act No. 272 of the 2026 R.S. is adopted at a statewide election and becomes effective.

(Adds R.S. 47:1703.2)