

First Extraordinary Session, 2005

SENATE BILL NO. 14

BY SENATOR SCHEDLER

TAX/AD VALOREM. Requires property taxes due for the year in which the property is damaged, destroyed and made uninhabitable to be prorated according to time it was habitable and authorizes a tax authority to suspend the collection of taxes if the parish governing authority determines that 75% of properties are "severely damaged" or destroyed.
(gov sig)

1 AN ACT

2 To amend and reenact R.S. 47:1978, relative to ad valorem property tax; to provide with
3 respect to the manner and procedure of assessment of property and the collection of
4 ad valorem taxes in the circumstance where property subject to ad valorem taxation
5 has been damaged or destroyed during a gubernatorially declared disaster or
6 emergency; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:1978 is hereby amended and reenacted to read as follows:

9 §1978. ~~Listing and assessing of overflowed lands~~ **Prorating of ad valorem taxes**
10 **on damaged or destroyed property**

11 **A.(1)** ~~Whenever lands or other property are overflowed by the waters of the~~
12 ~~Mississippi River, or by the waters of any other river, lake, bayou, or backwater, the~~
13 ~~assessors within whose parishes such lands or other property may be situated, shall~~
14 ~~re-assess such lands or property for their actual cash value, and in so doing they shall~~
15 ~~specially take into consideration all the damages to the lands or property and the~~
16 ~~depreciation of the value of such land or property caused by the overflow. The~~
17 ~~assessors throughout the state shall make these reassessments whether the time fixed~~

1 by law for filing assessment rolls has elapsed or not, and in case of re-assessments,
2 as provided by this Section, the assessor shall prepare supplemental rolls of
3 overflowed lands and other overflowed property, which they shall file in the manner
4 provided by law for general assessment rolls; such re-assessment shall be subject to
5 the same rights as to contest as to assessment generally. **is severely damaged or**
6 **destroyed by man-made or natural disaster such as fire, flood, tornado, or**
7 **hurricane, the ad valorem taxes due for the year in which the property is**
8 **damaged or destroyed will, upon application of the property owner, be**
9 **prorated.**

10 **(2) Proration shall be calculated as follows: The ad valorem taxes**
11 **resulting from the assessed valuation for the year in which the damage or**
12 **destruction occurred shall be multiplied by a factor to determine the ad valorem**
13 **taxes owed for that year. The factor shall be the number of months during the**
14 **tax year that the property was habitable divided by twelve. For the purposes**
15 **of this calculation, a fraction of a month is to be considered a month.**

16 **B. Any property owner seeking to have his ad valorem tax bill prorated**
17 **shall notify the collector in writing, providing a request to have his property tax**
18 **bill prorated, including a description of the damage and the number of whole**
19 **months in which the property was uninhabitable due to the , damage during the**
20 **tax year at issue.**

21 **C.(1) In the event of the severe damage or destruction of more than**
22 **seventy-five percent of the properties in a parish, as determined by the parish**
23 **governing authority, any taxing authority in the parish may suspend the**
24 **collection of all or a portion of the ad valorem taxes owed to it by the owners of**
25 **all property in the parish.**

26 **(2) Such action by the taxing authority shall be taken by resolution and**
27 **a certified copy shall be provided to the collector and notice thereof shall be**
28 **published in the official journal of the taxing authority on not less than two**
29 **separate days within one month of the adoption of the resolution.**

1 **(3) Such action by a taxing authority shall not prevent a property owner**
 2 **from seeking to have his ad valorem tax bill prorated as otherwise provided for**
 3 **in this Section.**

4 **D. For the purposes of this Section “severely damaged” or “severe**
 5 **damage” shall mean damage that prevents the habitation of the property.**

6 **E. The ad valorem property tax bill provided to each tax payer shall**
 7 **include the following statement:**

8 **“If the property set forth herein was severely damaged or destroyed,**
 9 **rendering the property uninhabitable for a portion of the year for which these**
 10 **taxes are due, you MAY be entitled to have your tax bill reduced. Contact the**
 11 **tax collector for details on obtaining a reduction.”**

12 Section 2. This Act shall become effective upon signature by the governor or, if not
 13 signed by the governor, upon expiration of the time for bills to become law without signature
 14 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 15 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 16 effective on the day following such approval.

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

DIGEST

Present law requires assessments to be made on the basis of the conditions of things on
 January 1st (August 1st in New Orleans).

Present law requires re-assessment of property overflowed by the waters of the Mississippi
 River or other waters in the state and requires assessors to "specially" take into consideration
 all the damages to the property and the depreciation its value caused by the overflow. The
 assessors are to make the reassessments whether the time fixed by law for filing assessment
 rolls has elapsed or not.

Proposed law provides two alternatives.

1. Instead of re-assessment, requires the property taxes due for the year in which the
 property is damaged or destroyed by man-made or natural disaster such as fire, flood,
 tornado, or hurricane to be prorated. The required proration is to be calculated by
 multiplying the assessed valuation for the year of damage or destruction by a factor
 which is the number of months during the tax year that the property was habitable
 (including fractions of a month) divided by 12.

In order to get proration, the property owner must request the proration in writing
 and include a description of the damage and the number of whole months in which

the property was uninhabitable due to the damage during the tax year at issue.

2. Authorizes any taxing authority in a parish to suspend by resolution the collection of all or a portion of the owed to it if the parish governing authority determines that 75% of properties in the parish are "severely damaged" or destroyed "severe damage" defined as damage that prevents the habitation of the property.

A certified copy of the resolution is to be provided to the collector and notice is to be published in the official journal of the taxing authority on not less than two separate days within one month of the adoption of the resolution.

Requires the property tax bill provided to each tax payer to include the following statement:

“If the property set forth herein was severely damaged or destroyed, rendering the property uninhabitable for a portion of the year for which these taxes are due, you MAY be entitled to have your tax bill reduced. Contact the tax collector for details on obtaining a reduction.”

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 47:1978)