

First Extraordinary Session, 2005

SENATE BILL NO. 18

BY SENATOR MOUNT

TAX EXEMPTIONS. Constitutional amendment to authorize retention of the homestead exemption and the special assessment level at its pre-disaster level if the homestead is unoccupied because of damage or destruction by a disaster or emergency if the repaired or rebuilt homestead is reoccupied within five years.

A JOINT RESOLUTION

Proposing to add Article VII, Section 18(G)(5) and Section 20(A)(10) of the Constitution of Louisiana, relative to ad valorem property tax; to provide a procedure for the retention of the homestead exemption and the special assessment level if the homestead is damaged or destroyed in certain circumstances; and to specify an election for submission of the proposition to electors and provide a ballot proposition.

Be it enacted by the Legislature of Louisiana:

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state, for their approval or rejection in the manner provided by law, a proposal to add Section 18(G)(5) and Section 20(A)(10) of Article VII of the Constitution of Louisiana, to read as follows:

§18. Ad Valorem Taxes

* * *

G. * * *

(5) Any owner entitled to the special assessment level set forth in this

Paragraph who is unable to occupy the homestead on or before December

1 thirty-first of a future calendar year due to damage or destruction of the
2 homestead caused by a disaster or emergency declared by the governor shall be
3 entitled to keep the special assessment level of the homestead prior to its
4 damage or destruction on the repaired or rebuilt homestead provided the
5 repaired or rebuilt homestead is reoccupied by the owner within five years from
6 December thirty-first of the year following the disaster. The assessed value of
7 the land and buildings on which the homestead was located prior to its damage
8 shall not be increased above its assessed value immediately prior to the damage
9 or destruction described in this Subparagraph. If the property owner receives
10 a homestead exemption on another homestead during the same five-year period,
11 the damaged or destroyed property shall not be entitled to keep the special
12 assessment level, and the land and buildings shall be assessed in that year at the
13 percentage of fair market value set forth in this constitution. In addition, the
14 owner must also maintain the homestead exemption set forth in Article VII,
15 Section 20(A) to qualify for the special assessment level in this Subparagraph.

§20. Homestead Exemption

Section 20.(A) Homeowners.

* * *

19 (10) Any homestead receiving the homestead exemption that is damaged
20 or destroyed during a disaster or emergency declared by the governor whose
21 owner is unable to occupy the homestead on or before December thirty-first of
22 a future calendar year due to such damage or destruction shall be entitled to
23 claim and keep the exemption by filing an affidavit of intent to return and
24 reoccupy the homestead within five years from December thirty-first of the year
25 following the disaster with the assessor within the parish or district where such
26 homestead is situated prior to December thirty-first of the year in which the
27 exemption is claimed. In no event shall more than one homestead exemption
28 extend or apply to any person in this state.

* * *

1 Section 2. Be it further resolved that this proposed amendment shall be submitted
2 to the electors of the state of Louisiana at the statewide election to be held on November 7,
3 2006.

4 Section 3. Be it further resolved that on the official ballot to be used at said election
5 there shall be printed a proposition, upon which the electors of the state shall be permitted
6 to vote FOR or AGAINST, to amend the Constitution of Louisiana, which proposition shall
7 read as follows:

8 To allow an owner to retain the homestead exemption and the special
9 assessment level at its pre-disaster level if the homestead is unoccupied on
10 or before December 31st of a calendar year because of damage or destruction
11 of the homestead caused by a disaster or emergency declared by the governor
12 provided the repaired or rebuilt homestead is reoccupied by the owner within
13 five years from December 31st of the year following the disaster; provides
14 that the assessed value of the homestead prior to its damage cannot be
15 increased above its assessed value immediately prior to the damage or
16 destruction and still retain the special assessment level.

17 (Adds Article VII, Sections 18(G)(5) and 20(A)(10))

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

DIGEST

Present constitution requires that the homestead be "owned and occupied" in order for the property to qualify for both the homestead exemption and the "special assessment level" (which freezes the assessment of property for those 65 and older).

Proposed constitutional amendment authorizes retention of the homestead exemption and the special assessment level at its pre-disaster level if the homestead is unoccupied on or before December 31st of a "future" calendar year because of damage or destruction of the homestead caused by a disaster or emergency declared by the governor provided the repaired or rebuilt homestead is reoccupied by the owner within five years from December 31st of the year following the disaster.

In order to receive the homestead exemption, the owner must file an affidavit of intent to return and reoccupy with his assessor prior to December 31st of the year in which the exemption is claimed. Explicitly prohibits the extension or application of more than one homestead exemption to any person in the state.

The assessed value of the land and buildings on which the homestead was located prior to its damage cannot be increased above its assessed value immediately prior to the damage or

destruction and retains the special assessment level.

If the property owner receives a homestead exemption on another homestead during the same 5-year period, or fails to maintain the homestead exemption on the damaged or destroyed property, the property loses the special assessment level and the land and buildings are to be assessed in that year at the percentage of fair market value set forth in the constitution.

Specifies submission of the amendment to the voters at the statewide election to be held on Nov. 7, 2006.

(Adds Const. Art. Secs. 18(G)(5) and 20(A)(10))