

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

ASSESSORS/PROPERTY ASSMT. Changes assessment procedures for property damaged or destroyed by disaster or emergency declared by the governor (Items #40 and 42).

DIGEST

Proposed law provides that both its assessment provisions and pro rata provisions do not apply to lands or property in any parish for which the assessment rolls for tax year 2005 were certified, or partially or conditionally certified, by the Louisiana Tax Commission prior to the effective date of the proposed law.

Proposed law authorizes the La. Tax Commission for tax year 2005 to order the ad valorem property taxes in a parish (except Jefferson, Orleans, Plaquemines, and St. Bernard) in which are located lands or property destroyed, uninhabitable, or non-operational due to a disaster or emergency declared by the governor for such tax year to be assessed and collected for that year on a pro rata basis as set forth in the proposed law. Property subject to mandatory evacuation is deemed to be uninhabitable or nonoperational during the pendency of the mandatory evacuation.

However, the tax commission may order such proration only if:

1. It first receives notice in writing within 10 days of the initial effective date of the proposed law from a majority of the "elected taxing authorities" in the parish that they have adopted a resolution declaring their intention to consider having the lands or property located within the parish assessed and collected for that year on a pro-rated basis. If the tax commission does not receive such notice from a majority of the "elected taxing authorities," the assessor in the parish must proceed to assess property in the parish as set forth below.
2. If the tax commission then determines that it has received written notice from a majority of the "elected taxing authorities" in a parish requesting that the lands or property located within the parish be assessed and collected for that year on a pro rata basis, and that the notice of each such "elected taxing authority" was received within 30 days of the tax commission's receipt of the first notice - then the tax commission must order the assessor and collector of such parish to proceed to assess and collect on a pro rata basis.

The requesting resolution must be adopted by a vote of 2/3's of the members of the elected taxing authority after a public meeting conducted in accordance with the open meetings law. Special public notice of the time, place and subject matter of such meeting must be published on two separate days within 15 days preceding the meeting in the official journal of the taxing authority and another newspaper with a larger distribution than that of the official journal, if one exists in the parish.

If the tax commission does not receive timely notice of such requests from a majority of the "elected taxing authorities," the assessor and tax collector of the parish must proceed to assess and collect all taxes within the parish pursuant as provided in the proposed law.

"Elected taxing authorities" is defined as taxing authorities whose member or members are chosen by a vote of the electorate. Municipalities are to be considered as one "elected taxing authority" for purposes of making the following determinations:

1. Whether the tax commission has received the first notice from a majority of elected taxing authorities in a parish.

2. Whether it has received the notice requesting proration from a majority of the elected taxing authorities.

Proposed law provides that, unless the tax commission orders assessment in the parish on a pro rata basis, an assessor must proceed to assess land or property damaged or destroyed for the year in which the damage or destruction occurred by taking into consideration all damages to land or property and the depreciation of such land or property caused by the disaster or emergency. Provides that the assessments must be made whether the time provided by law for filing assessment rolls has elapsed or not. If the general assessment rolls have already been certified to the local board of review, the assessor must prepare a supplemental roll of land or property damaged, which rolls are to be filed in the same manner as provided for general assessment rolls in the proposed law, and such assessments are subject to the same rights as to contest as assessments generally. After the filing of the assessment roll for the year, the assessor may issue change orders for the assessment of damaged or destroyed property. An owner who is dissatisfied with the determination of value has 10 days to appeal to the La. Tax Commission whose decisions are final unless appealed within 10 days. Requires assessors to submit an amended grand recap reflecting changes in assessed values requested in change orders.

Present constitution provides that the total amount of ad valorem taxes collected by any taxing authority in the year in which the reappraisal and valuation provisions of Art. VII, Sec. 18(F) [requiring reappraisals at intervals of not more than 4 years] are implemented shall not be increased or decreased because of a reappraisal or valuation above or below the total amount of such taxes collected in the year preceding implementation of the reappraisal and valuation. To accomplish this result, the constitution requires each affected taxing authority, in the year in which Section 18 is implemented, to adjust millages upwards or downwards without regard to millage limitations contained in the constitution without further voter approval.

Proposed law prohibits the assessment because of damage or destruction provided in the proposed law from being considered an implementation of the reappraisal and valuation provisions of Art. VII, Sec. 18(F), nor can such assessment result in the adjustment of ad valorem tax millages pursuant to Art. VII, Sec. 23 of the constitution as set forth above.

Proposed law provides that, if the tax commission orders assessment in the parish on a pro rata basis, 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.

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.”

Present law requires each assessor to complete and file the tax roll for his parish on or before November 15 of each calendar year.

Proposed law specifies that the rolls for 2005 (2006 Orleans) shall be completed and filed before March 31, 2006.

Proposed law provides that the deadline for payment of ad valorem taxes for 2005 (2006 Orleans) is extended and shall be paid no later than 45 days after certification and approval of the tax rolls by the La. Tax Commission or December 31, 2005 whichever date is later.

(Amends R.S. 47:1993(D) and 2101(A)(1); adds R.S. 47:1978.1)

Summary of Amendments Adopted by Senate

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

1. Authorizes pro rata basis assessment for 2005 only if a majority of "elected taxing authorities" notify the tax commission within 10 days of the effective date of the proposed law that they are considering it and then a majority timely request (within 30 days of the first notice) assessment on a pro rata basis. (Municipalities in the parish are counted as one "elected taxing authority.")
2. Excludes Jefferson, Orleans, Plaquemines, and St. Bernard from utilizing the process in No. 1 above to obtain pro rata assessment. Also excludes from both the assessment and pro rata provisions of the proposed law lands or property in any parish for which the assessment rolls for tax year 2005 were certified, or partially or conditionally certified, by the Louisiana Tax Commission prior to the effective date of the proposed law.
3. Provides the procedure for assessment on a pro rata basis.