
DIGEST

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HB 383 Original

2018 Regular Session

Davis

Abstract: Establishes a rebate for the eligible costs a first-time home buyer expends from a first-time home owner savings account for the purchase of a single-family residence.

Proposed law establishes a rebate beginning July 1, 2019, and ending July 1, 2022, for eligible costs a first-time home buyer expends from a first-time home owner savings account for the purchase of a single-family residence in this state. The amount of the rebate shall be equal to the amount of first-time home buyer savings account funds used to pay the eligible costs of a first-time home buyer not to exceed \$7,500.

Proposed law further provides that the total amount of rebates issued is capped at \$15 million per fiscal year; however, in any fiscal year in which the amount of rebates awarded is at least 90% of the current year annual cap, the annual cap for the next fiscal year shall be increased by 10%. Proposed law requires the Dept. of Revenue (DOR) to approve rebates on a first-come, first-served basis until the maximum amount of rebates have been issued for a fiscal year.

Proposed law defines "eligible costs" as the down payment and allowable closing costs for the purchase of a single-family residence in La. by a first-time home buyer. Further defines a "first-time home buyer" as an individual who resides in La. who has never owned or purchased a single-family residence.

Proposed law requires DOR to pay rebates out of current income tax collections.

Proposed law requires DOR to develop an affidavit to be completed by the first-time home buyer at the time of closing. The affidavit shall include information such as the full legal name and last four digits of the social security number of the first-time home buyer, the address of the single-family residence purchased by the first-time home buyer, and a statement that the first-time home buyer has not previously purchased a single-family residence prior to the date of the purchase of the single-family residence that is the subject of the sale.

Proposed law requires an applicant to submit the following information when applying for the rebate:

- (1) Detailed information regarding the first-time home buyer savings account on a form designated by the department.
- (2) Any Form 1099 issued by the financial institution for the account.

- (3) A certified copy of the affidavit required by proposed law attesting that the first-time home buyer has not previously purchased a single-family residence.
- (4) A certified copy of the affidavit required by proposed law indicating that the first-time home buyer applied for a homestead exemption.
- (5) A copy of the first-time home buyer's homestead exemption or application for a homestead exemption for the single-family residence.

Proposed law prohibits a rebate from being issued until the application for homestead exemption has been approved and the first-time home buyer submits a copy of the homestead exemption receipt, registration, or other document issued by the assessor's office of the parish in which the single-family residence is situated evidencing approval of the homestead exemption.

Proposed law authorizes DOR to promulgate rules and regulations as are necessary to implement the provisions of proposed law.

Proposed law authorizes the establishment of first-time home buyer savings accounts with a financial institution to be used to pay or reimburse a first-time home buyer's eligible costs for the purchase of a single-family residence. Further provides for the types of funds that may be deposited into these savings accounts and for account holder responsibilities and rights.

Proposed law prohibits a person or entity involved in the purchase and sale of the single-family residence, including the seller, the title company, or, in the case of new construction, the developer or builder of the single-family residence, from contributing funds to a first-time home buyer savings account.

Proposed law provides that a financial institution shall not be responsible or liable for determining or ensuring that an account satisfies the requirements of a first-time home buyer savings account or that funds in the savings account are used for eligible costs.

Proposed law requires the title company that completes the closing for the first-time home buyer to provide the buyer with the affidavit developed by DOR as required by proposed law and the first-time home buyer shall record the executed affidavit in the mortgage records of the parish where the purchased homestead is situated.

Proposed law provides that the penalty for a first-time home buyer who submits a certified copy of an affidavit to DOR who does not meet the qualifications for a first-time home buyer rebate shall be a false swearing pursuant to present law and the party shall be required to remit the amount of the rebate received, plus judicial interest, back to DOR.

Proposed law prohibits DOR from accepting applications for rebates and from issuing rebates on or after March 1, 2022.

Effective July 1, 2018.

(Adds R.S. 47:6361 through 6367)