

2018 Regular Session

SENATE BILL NO. 163

BY SENATOR PERRY

TAX EXEMPTIONS. Constitutional amendment to extend special assessment for ad valorem tax purposes on homesteads to apply to persons with usufruct when naked ownership is in trust. (2/3 - CA13s1(A))

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17

A JOINT RESOLUTION

Proposing to add Article VII, Section 18(G)(6) of the Constitution of Louisiana, relative to special assessment levels; to extend the special assessment level for homesteads to apply to trusts under certain circumstances; and to specify an election for submission of the proposition to electors and provide a ballot proposition.

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 Article VII, Section 18(G)(6) of the Constitution of Louisiana, to read as follows:

§18. Ad Valorem Taxes

* * *

(G) Special Assessment Level.

* * *

(6)(a) A trust shall be eligible for the special assessment level if all of the following apply:
(i) The settlor or settlors of the trust were the immediate prior owner or owners of the homestead.

1 **(ii) The naked ownership of the homestead was transferred to the trust.**

2 **(iii) The settlor or settlors retained a usufruct in the homestead.**

3 **(iv) The settlor or settlors continue to occupy the homestead.**

4 **(v) The settlor or settlors would have been eligible for the special**
 5 **assessment level had they retained the naked ownership of the homestead.**

6 **(b) If a trust would have been eligible for the special assessment level**
 7 **pursuant to this Subparagraph prior to the most recent reappraisal, the total**
 8 **assessment of the property held in trust shall be the assessed value on the last**
 9 **appraisal before the reappraisal.**

10 Section 2. Be it further resolved that this proposed amendment shall be submitted
 11 to the electors of the state of Louisiana at the statewide election to be held on November 6,
 12 2018.

13 Section 3. Be it further resolved that on the official ballot to be used at said election
 14 there shall be printed a proposition, upon which the electors of the state shall be permitted
 15 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
 16 follows:

17 Do you support an amendment to allow the special assessment level to apply
 18 to trusts when the settlor of the trust retains a usufruct and occupies the
 19 homestead?

20 (Adds Article VII, Section 18(G)(6))

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

DIGEST

SB 163 Engrossed 2018 Regular Session Perry

Present constitution grants a special assessment level to homesteads of people 65 or older that provides that the assessment of the homestead cannot be increased above its total assessment for the first year that the owner qualifies for and receives the special assessment level. The millage rate is not subject to the limitation.

Present constitution prohibits the special assessment level if such person's or persons' adjusted gross income, as reported in the federal tax return for the year prior to the application for the special assessment, or on both returns if the spouses are filing separately, exceeds \$71,491 for tax year 2016. The income level is adjusted annually by the Consumer Price Index.

Present constitution provides that the special assessment level remains on the property as long as:

- (1) The owner, or the owner's surviving spouse who is 55 or older, or who has minor children, remains the owner of the property.
- (2) The value of the property does not increase more than 25% because of construction or reconstruction.

Proposed constitutional amendment applies the special assessment level to certain trusts if the settlors of the trust meet all of the other requirements in the present constitution and the settlor of the trust retains a usufruct and occupies the homestead.

Proposed constitutional amendment provides that if the trust would have been eligible for the special assessment level prior to the most recent reappraisal, the total assessment of the property held in trust shall be the assessed value on the last appraisal before the reappraisal.

Specifies submission of the amendment to the voters at the statewide election to be held on November 6, 2018.

(Amends Const. Art. VII, Sec. 18(G)(6))