

2018 Regular Session

SENATE BILL NO. 289

BY SENATOR PERRY

TAX/AD VALOREM. Provides relative to the special assessment level for ad valorem tax purposes on homesteads when naked ownership is in trust. (See Act)

1 AN ACT

2 To enact R.S. 47:1713, relative to special assessment levels; to extend the special
3 assessment level for homesteads to apply to trusts under certain circumstances; to
4 provide for disposition of excess ad valorem payments made by certain trusts; and
5 to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:1713 is hereby enacted to read as follows:

8 **§1713. Special assessment level for certain trusts**

9 **A. A trust shall be eligible for the special assessment level if all of the**
10 **following apply:**

11 **(1) The settlor or settlors of the trust were the immediate prior owner or**
12 **owners of the homestead.**

13 **(2) The naked ownership of the homestead was transferred to the trust.**

14 **(3) The settlor or settlors retained a usufruct in the homestead.**

15 **(4) The settlor or settlors continue to occupy the homestead.**

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

1 **B.(1) If a trust would have been eligible for the special assessment level**
 2 **pursuant to this Section prior to the most recent reappraisal, the total**
 3 **assessment of the property held in trust shall be the assessed value on the last**
 4 **appraisal before the reappraisal.**

5 **(2) If a trust has remitted a payment at the higher assessment level and**
 6 **is later determined to be eligible for the special assessment level pursuant to this**
 7 **Subsection, then upon a showing by the trust of eligibility, any payment in**
 8 **excess of the special assessment level shall abate subsequent years' ad valorem**
 9 **taxes on the property until the payment has been exhausted.**

10 Section 2. This Act shall take effect and become operative if and when the proposed
 11 addition of Article VII, Section 18(G)(6) of the Constitution of Louisiana contained in the
 12 Act which originated as Senate Bill No. 163 of this 2018 Regular Session of the Legislature
 13 is adopted at the statewide election to be held on November 6, 2018, and becomes effective.

The original instrument was prepared by Leonore F. Heavey. The following
 digest, which does not constitute a part of the legislative instrument, was
 prepared by James Benton.

DIGEST

SB 289 Engrossed 2018 Regular Session Perry

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

Proposed law 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.

Proposed law provides that if a trust has remitted a payment at the higher assessment level and the trust is later determined to be eligible for the special assessment level then upon a showing by the trust of eligibility, any excess payment will be held on account by the collector to be used as a prepayment of subsequent years' ad valorem taxes.

Effective if and when the proposed addition of Article VII, Section 18(G)(6) of the Constitution of Louisiana contained in the Act which originated as SB 163 of the 2018 RS is adopted at the statewide election to be held on November 6, 2018, and becomes effective.

(Adds R.S. 47:1713)

Summary of Amendments Adopted by Senate

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

1. Requires a trust to show proof that they are entitled to the special assessment level prior to receiving excess payments abated to subsequent years ad valorem taxes.
2. Makes technical changes.