
DIGEST

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HB 372 Original

2022 Regular Session

Romero

Abstract: Defines the fair market value of certified green house gas emissions reduction facilities (GHG emissions reduction facilities) for ad valorem tax purposes as the actual net value of the property which could be realized by the owner if the facilities were sold at a fair, voluntary sale, considering all forms of depreciation and the expense of removal.

Present constitution authorizes local governments and other political subdivisions to levy ad valorem property taxes on movable and immovable property within their jurisdictions. Further requires assessors to determine the fair market value of all property except public service property which shall be valued by the La. Tax Commission.

Present law establishes the procedure for assessment of property and defines fair market value and use value for purposes of ad valorem taxation.

Proposed law defines fair market value of certified GHG emissions reduction facilities for purposes of ad valorem tax as the actual net value which could be realized by the owner if the facilities were removed and sold at a fair, voluntary sale, giving account to all forms of depreciation and expense of removal.

Proposed law defines "GHG emissions reduction facilities" as machinery or equipment and any improvements or additions to property that has been certified for use in the capture, disposal, containment or reduction of greenhouse gas emissions released into the atmosphere. Proposed law authorizes the improvements or additions to be individually considered by an assessor and prohibits the creation of a special valuation for machinery and equipment.

Proposed law authorizes both the Dept. of Environmental Quality and the La. Tax Commission to adopt rules in accordance with present law (Administrative Procedure Act) as are necessary to implement the provisions of proposed law.

Proposed law applies to GHG emissions reduction facilities acquired, installed, or re-purposed, in whole or in part, on or after Jan. 1, 2022, and does not apply to machinery or equipment and improvements or additions to property used for any other commercial purpose.

(Adds R.S. 47:1977.1)