

2016 Regular Session

HOUSE BILL NO. 359

BY REPRESENTATIVE MORENO

TAX/AD VALOREM TAX: Establishes criteria for valuation of low-income housing property for purposes of assessment of ad valorem taxes

1 AN ACT

2 To amend and reenact R.S. 47:2323(C)(introductory paragraph) and to enact R.S.
3 47:2323(C)(4), relative to the assessment of property for purposes of ad valorem
4 taxation; to provide with respect to the valuation of low-income housing property;
5 to require the use of certain criteria in the determination of fair market value; to
6 provide for effectiveness; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:2323(C)(introductory paragraph) is hereby amended and
9 reenacted and R.S. 47:2323(C)(4) is hereby enacted to read as follows:

10 §2323. Criteria for determining fair market value; real and personal property;
11 unoccupied residential immovable property

12 * * *

13 C. Criteria.

14 The fair market value of real and personal property shall be determined by
15 the following generally recognized appraisal procedures, subject to the requirements
16 established in Paragraph (4) of this Subsection: the market approach, the cost
17 approach, and/or the income approach.

18 * * *

19 (4)(a) In the application of any approach utilized to determine the fair
20 market value of low-income housing property, any calculation based on income

Proposed law retains present law but adds specific requirements concerning the determination of fair market value of low-income housing properties.

Proposed law requires that any calculation based on income generated by the property shall be made utilizing the actual income restricted rents and any other specific operational requirements applicable to the property. Further, a low-income housing property shall not be considered comparable real property for the assessment or an appeal of an assessment of other properties.

Proposed law defines "low income housing property" for purposes of proposed law as a property eligible for any of the following: federal income tax credits available under federal law; below market interest rate on financing obtained under the Homes Investment Partnership Program under the Cranston-Gonzales National Affordable Housing Act or the Federal Home Loan Bank Affordable Housing Program established pursuant to federal law; or, any other federal, state, or similar program intended to provide low-income housing with restricted occupancy and rental rates.

Effective January 1, 2017.

(Amends R.S. 47:2323(C)(intro. para.); Adds R.S. 47:2323(C)(4))