HLS 10RS-769 ORIGINAL

Regular Session, 2010

HOUSE BILL NO. 577

BY REPRESENTATIVE PEARSON

TAX/PROPERTY: (Constitutional Amendment) Increases the level of assessed valuation of property at which the homestead exemption applies and authorizes the deferral of property taxes for certain property owners

1 A JOINT RESOLUTION 2 Proposing to amend Article VII, Section 20(A)(1) and 23(B), and to add Article VII, Section 3 20(A)(11) of the Constitution of Louisiana, relative to ad valorem taxes; to increase 4 the level of assessed valuation of property at which the homestead exemption 5 applies; to provide for the deferral of taxes under certain circumstances; to provide 6 for implementation; to provide for an effective date; to provide for submission of the 7 proposed amendment to the electors; and to provide for related matters. 8 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members 9 elected to each house concurring, that there shall be submitted to the electors of the state, for 10 their approval or rejection in the manner provided by law, a proposal to amend Article VII, 11 Section 20(A)(1) and 23(B), and to add Article VII, Section 20(A)(11) of the Constitution 12 of Louisiana, to read as follows: 13 §20. Homestead Exemption 14 Section 20.(A) Homeowners. 15 (1) The bona fide homestead, consisting of a tract of land or two or more 16 tracts of land even if the land is classified and assessed at use value pursuant to 17 Article VII, Section 18(C) of this constitution, with a residence on one tract and a 18 field with or without timber on it, pasture, or garden on the other tract or tracts, not 19 exceeding one hundred sixty acres, buildings and appurtenances, whether rural or

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urban, owned and occupied by any person or persons owning the property in indivision, shall be exempt from state, parish, and special ad valorem taxes to the extent of seven thousand five hundred dollars of the assessed valuation which is in excess of the first one thousand dollars of the assessed valuation. The same homestead exemption shall also fully apply to the primary residence, including a mobile home, which serves as a bona fide home and which is owned and occupied by any person or persons owning the property in indivision, regardless of whether the homeowner owns the land upon which the home or mobile home is sited; however, this homestead exemption shall not apply to the land upon which such primary residence is sited if the homeowner does not own the land.

* * *

homestead with an assessed value of less than eighty-five thousand dollars shall be deferred and reduced to a tax deferral lien to be placed on the property of any owner who is eligible and applies for tax deferral as provided for in this Subparagraph. A tax deferral lien shall only be collectable upon a transfer of ownership of the property. The existence of any unpaid taxes associated with a tax deferral lien shall not cause the property to be subject to tax sale under Article VII, Section 25 of this constitution. Tax deferral shall be available only with respect to a homestead which is owned and occupied by a person meeting either of the following eligibility criteria:

- (i) The owner's annual family income for the preceding calendar year did not exceed the current federal poverty level applicable to Louisiana based on the United States federal poverty guidelines published annually by the United States Department of Health and Human Services or its successor.
- (ii) The owner qualifies for the special assessment level pursuant to Article VII, Section 18(G))(1)(a)(i)(dd) of this constitution.
- (b) An eligible owner or the owner's spouse or other legally qualified representative shall apply for the tax deferral by filing with the parish assessor a signed application and documentary proof establishing that the owner qualifies for

1	the deferral. The assessor shall annually provide to the Tax Commission, or its
2	successor, a list of the properties for which a tax deferral was granted in the
3	preceding year. The legislature may provide by law for procedures related to tax
4	deferrals and tax deferral liens.
5	* * *
6	§23. Adjustment of Ad Valorem Tax Millages
7	Section 23.
8	* * *
9	(B) Subsequent Adjustments. Except as otherwise permitted in this Section
10	the total amount of ad valorem taxes collected by any taxing authority in the year in
11	which the reappraisal and valuation provisions of Section 18, Paragraph (F) of this
12	Article are implemented shall not be increased or decreased because of a reappraisa
13	or valuation or increases or decreases in the homestead exemption above or below
14	the total amount of ad valorem taxes collected by that taxing authority in the year
15	preceding implementation of the reappraisal and valuation. To accomplish this
16	result, the provisions of millage adjustments relative to implementation of Section
17	18 and Section 20 of this Article, as set forth in Paragraph (A) of this Section shall
18	be mandatory. Thereafter, following implementation of each subsequent reappraisa
19	and valuation required by Paragraph (F) of Section 18 of this Article, the millages
20	as fixed in each such implementation shall remain in effect unless changed as
21	permitted by Paragraph (C) of this Section. The implementation of the increase in
22	the amount of assessed valuation at which the homestead exemption shall apply
23	pursuant to the provisions of Subparagraph (A)(1) of Section 20 of this Article
24	which provision becomes effective January 1, 2011, shall neither trigger nor be cause
25	for a reappraisal of property, or an adjustment of millages pursuant to this Paragraph
26	* * *
27	Section 2. Be it further resolved that, if approved by the voters, this proposed
28	amendment shall be effective beginning January 1, 2011.

1 Section 3. Be it further resolved that this proposed amendment shall be submitted 2 to the electors of the state of Louisiana at the statewide election to be held on November 2, 3 2010. 4 Section 4. Be it further resolved that on the official ballot to be used at said election 5 there shall be printed a proposition, upon which the electors of the state shall be permitted 6 to vote FOR or AGAINST, to amend the Constitution of Louisiana, which proposition shall 7 read as follows: 8 To increase the level of assessed value at which the homestead exemption applies by 9 making the first ten thousand dollars of a homestead's value subject to property tax, 10 with the homestead exemption applying to the next seventy-five thousand dollars 11 of value; authorizes the deferral of property taxes for property owners who are 12 disabled or have incomes at or below the federal poverty level. (Effective January 13 1, 2011) (Amends Article VII, Section 20(A)(1) and 23(B); Adds Article VII, 14 Section 20(A)(11)

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Pearson HB No. 577

Abstract: Increases the level of assessed valuation of property at which the homestead exemption applies and authorizes the deferral of taxes in certain circumstances.

<u>Present constitution</u> exempts from certain property taxes the first \$7,500 of assessed valuation (\$75,000 of fair market value) of a homestead.

<u>Proposed constitutional amendment</u> retains provisions of <u>present constitution</u> with respect to the \$7,500 homestead exemption and changes the level of assessed value at which the homestead exemption applies.

<u>Proposed constitutional amendment</u> provides that the homestead exemption shall not apply until after the first \$1,000 of assessed valuation. The first \$10,000 of fair market property value would be taxable, with the homestead exemption applicable for the next \$75,000 in fair market value.

<u>Proposed constitutional amendment</u> authorizes the deferral of property taxes due in any year on a property with assessed value of less than \$85,000 whose owners are either disabled or have incomes at or below the federal poverty level. Such deferred taxes would be reduced to a tax deferral lien on the property, collectable only upon transfer of ownership of the property. Requires eligible property owners to apply for the deferral by filing an application

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and proof of eligibility to the parish assessor. The assessor shall annually provide to the Tax Commission a list of the tax deferrals which were granted in the preceding year.

<u>Proposed constitutional amendment</u> specifies that the implementation of <u>proposed constitutional amendment</u> on Jan. 1, 2011, shall neither trigger nor be cause for a reappraisal or millage adjustments pursuant to <u>present constitution</u>.

Provides for submission of the proposed amendment to the voters at the congressional general election on Nov. 2, 2010.

Effective Jan. 1, 2011.

(Amends Const. Art. VII, §20(A)(1) and 23(B), Adds Const. Art. VII, §20(A)(11))