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## DIGEST

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HB 893 Engrossed

2018 Regular Session

Connick

**Abstract:** Requires retention of records by the La. Tax Commission concerning its appraisals of public service properties.

Present constitution and present law require that the La. Tax Commission (commission) assess public service properties for purposes of property tax. Public service properties include airlines, barge lines, electric companies, transportation companies, gas companies, insurance companies, and financial institutions.

Present law requires the commission to annually appraise each public service company by September 1<sup>st</sup>, based on information provided by the property owner. The commission uses the following techniques to appraise the fair market value of these properties: market approach, cost approach, and income approach. All public service properties of the same nature and kind are required to be appraised in the same manner.

Proposed law retains present law and adds a requirement that the commission maintain within its record for each appraisal, the rationale for the determination of the appraisal approach utilized in the valuation.

Present law provides that for purposes of allocation of value of inventories of natural gas owned by a La. pipeline company, the assessments for 1993 and 1994 in the parishes of Bienville, East Carroll, Lincoln, West Carroll, and other parishes shall allocate the value of this property to each tax jurisdiction in which the inventories are located according to long-held administrative construction and interpretation of the law. Thereafter, the La. Commission is required to develop a fair, equitable, and consistent system of valuation of those inventories.

Proposed law repeals obsolete provisions of present law.

Present law establishes specific factors to be used in the allocation of assessed value of public service properties which involve property used both inside and outside of La. The commission has discretion to utilize specific factors as it deems appropriate.

Proposed law retains present law and requires that the commission retain in its record of each appraisal, the analysis used to make a determination to use certain factors in favor of other factors.

(Amends R.S. 47:1853(B)(3) and 1855(E))