

**ACT No. 182**

2016 Regular Session

HOUSE BILL NO. 610

BY REPRESENTATIVES ABRAHAM AND BARRAS

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19

AN ACT

To amend and reenact R.S. 47:2323(C)(3) and to enact R.S. 47:2323(E), relative to ad valorem property tax assessments; to provide with respect to the fair market valuation of property for purposes of assessment; to prohibit consideration of the value of certain federal tax and financial benefits for certain residential housing unit property in determining fair market value; to provide with respect to the income approach for property valuation; to provide for effectiveness; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:2323(C)(3) is hereby amended and reenacted and R.S. 47:2323(E) is hereby enacted to read as follows:

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

\* \* \*

C. Criteria.

The fair market value of real and personal property shall be determined by the following generally recognized appraisal procedures: the market approach, the cost approach, and/or the income approach.

\* \* \*

1                   (3) In utilizing the income approach, the assessor shall use an appraisal  
2 technique in which the anticipated net income is ~~processed~~ capitalized to indicate the  
3 capital amount of the investment which produces the net income.

4   \*       \*       \*

5                   E. When performing a valuation of any affordable rental housing property,  
6 the assessor shall not consider any of the following in determining fair market value:

7                   (1) Income tax credits available to the property under Section 42 of the  
8 Internal Revenue Code.

9                   (2) Below-market interest rate on financing obtained under the Home  
10 Investment Partnership Program under the Cranston-Gonzales National Affordable  
11 Housing Act, or the Federal Home Loan Bank Affordable Housing Program  
12 established pursuant to the Financial Institution Reform, Recovery, and Enforcement  
13 Act of 1989.

14                   (3) Any other federal, state, or similar program intended to provide or  
15 finance affordable rental housing to persons of low or moderate income and  
16 requiring restricted occupancy and rental rates based on the income of the persons  
17 occupying such housing.

18                   Section 2. This Act shall become effective on January 1, 2017.

\_\_\_\_\_  
SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
PRESIDENT OF THE SENATE

\_\_\_\_\_  
GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_