

ST. TAMMANY PARISH COUNCIL

RESOLUTION

RESOLUTION COUNCIL SERIES NO. C-2626

COUNCIL SPONSOR MR. BILLIOT PROVIDED BY COUNCIL ATTORNEY

RESOLUTION REQUESTING THE LOUISIANA LEGISLATURE TO ENACT LEGISLATION TO AMEND ARTICLE 7, SECTION 18, OF THE LOUISIANA CONSTITUTION, RELATIVE TO ASSESSMENT, VALUATION AND REAPPRAISAL OF ALL PROPERTY SUBJECT TO AD VALOREM TAXATION, AND FOR THE REPEAL OF PARAGRAPH (B) OF SECTION 23, LOUISIANA CONSTITUTION ARTICLE 7, RELATIVE TO SUBSEQUENT ADJUSTMENTS IN THE TOTAL AMOUNT OF AD VALOREM TAXES COLLECTED BY ANY TAXING AUTHORITY IN THE YEAR IN WHICH THE REAPPRAISAL AND VALUATION PROVISIONS OF SECTION 18, PARAGRAPH (F) OF ARTICLE 7 ARE IMPLEMENTED.

WHEREAS, 2008 was a reassessment year. The unexpected increase in property taxes produced an unprecedented number of appeals. Fifteen Thousand property owners in St. Tammany Parish protested the dramatic increases in their property assessments over the assessed value in the prior year and the prior 2004-reassessment year. The aftermath of Hurricane Katrina, and the current market conditions, have thrust to the forefront the inadequacies in the property assessment procedures and regulations. The Legislature must find a more consistent and equitable way to assess the value of property subject to ad valorem taxes, beginning with the constitutional provisions that give rise to the current antiquated process; and

WHEREAS, the Louisiana Constitution, particularly Article 7 §18, mandates that each assessor shall determine the fair market value of all property subject to taxation within his respective parish or district except public service properties, which shall be valued at fair market value by the Louisiana Tax Commission or its successor. Property subject to ad valorem taxation shall be listed on the assessment rolls at its assessed valuation, which, except for property subject to use valuation or the special assessment level, shall be a *percentage of its fair market value*. The percentage of fair market value shall be uniform throughout the state upon the same class of property; and

WHEREAS, pursuant to the aforesaid constitutional mandate, there is no exception to the requirement that each assessor in his respective parish shall determine the fair market value and assessed valuation of all property subject to taxation every year, which determination must be approved by the Louisiana Tax Commission. Nevertheless, and despite the constitutional requirement that property must be correctly assessed every year, Paragraph (F) of Article 7 §18 mandates that "All property subject to taxation shall be reappraised and valued in accordance with this Section, at intervals of not more than four years." And, pursuant to Art. 7, § 23, an adjustment in millage rates by the various taxing authorities is directly tied to the mandated reappraisal and assessed valuation of all property subject to ad valorem taxation; and

WHEREAS, Hurricane Katrina had a catastrophic impact on the values of property in several parishes, including St. Tammany Parish. On the one hand, those properties with structures that were damaged or destroyed retained little, if any, of its prior fair market value. The homes that were flooded and repaired, and those that were not previously in a flood zone, but were subsequently located in a flood zone by virtue of the amended FEMA FIRM Maps, may never have the same fair market value as a home of comparable size that did not flood or is not located in a flood zone. Such homes are also subject to a dramatic increase in flood insurance premiums. On the other hand, the demand for habitable housing caused an artificial and dramatic increase in the price of homes being sold during the period of demand. Furthermore, at the present time, due to current economic conditions, the number of foreclosures has been staggering; and

WHEREAS, Hurricane Katrina and the current market conditions have made it abundantly clear that the existing laws and regulations governing the assessed valuation of taxable property, and reassessment of such property, are antiquated and, as a result, unfair to the taxpayers and taxing authorities in Louisiana. The actual determination of the fair market value and the assessed value of a property in any given year may be dramatically influenced by market conditions or catastrophic events. The Louisiana Tax Commission's practice of using a ratio study or sampling of sales to determine if assessments are within the acceptable ten (10%) percent range for fair market value does not ensure uniformity of application to a particular property or area. Consequently, there is a likelihood of wide discrepancies in assessments as reflected by the protests of 15,000 property owners in St. Tammany Parish; and

WHEREAS, given the constitutional mandate that taxable property be correctly assessed in every year, and confirmed by the Louisiana Tax Commission, there is no need for the four-year reassessment process. Further, the current process of determining assessed value, based on fair market value, results in inconsistent and inequitable application. Also, under the current process, a person owning a vacant residential lot pays property taxes, although there is little if any impact on taxing authorities providing public services, such as fire, police, recreation and education. Conversely, a home constructed on the same size lot that qualifies for the homestead exemption and has an assessed value is below \$75,000.00 pays no property taxes; and

WHEREAS, the legislature should immediately proceed to explore more equitable, more consistent and more reliable ways to assess and tax property subject to ad valorem taxation. For example, establishing a flat rate tax based on the different classifications of property, i.e., vacant or improved residential, parcel/lot sizes, single residential versus multiple residential, and other relevant factors. Alternatively, establishing fair market value based on actual sale price and accompanying certified appraisal of the property, adjusted annually based on an appropriate market index.

THE PARISH OF ST. TAMMANY HEREBY RESOLVES that the Parish Council urges the Louisiana Legislature to immediately proceed to explore more equitable, more consistent and more reliable ways to assess and tax property subject to ad valorem taxation and, to that end, to enact legislation to amend Article 7, Section 18, of the Louisiana Constitution, relative to assessment, valuation and reappraisal of all property subject to ad valorem taxation, and for the repeal of Paragraph (B) of Section 23, Article 7 of the Louisiana Constitution, relative to subsequent adjustments in the total amount of ad valorem taxes collected by any taxing authority in the year in which the reappraisal and valuation provisions of Section 18, Paragraph (F) of Article 7 are implemented.

THIS RESOLUTION HAVING BEEN SUBMITTED TO A VOTE, THE VOTE THEREON WAS AS FOLLOWS:

MOVED FOR ADOPTION BY: \_\_\_\_\_, SECONDED BY: \_\_\_\_\_

YEAS:

NAYS:

ABSTAIN:

ABSENT:

THIS RESOLUTION WAS DECLARED ADOPTED ON THE 7<sup>th</sup> DAY OF MAY 2009 AT A REGULAR MEETING OF THE PARISH COUNCIL, A QUORUM OF THE MEMBERS BEING PRESENT AND VOTING.

\_\_\_\_\_  
JERRY BINDER, COUNCIL CHAIRMAN

ATTEST:

\_\_\_\_\_  
THERESA FORD, COUNCIL CLERK