

Chapter 2. Policies and Procedures for Assessment and Change Order Practices

§201. Introduction

A. The Louisiana Tax Commission (LTC) is Constitutionally and statutorily required to aid, assist, and supervise assessors in the administration of ad valorem taxation. The LTC shall also administer and enforce all laws related to the state supervision of local property tax assessments and the assessments of public service, bank stock, and insurance company properties.

B. In order to promote effective performance and compliance with the requirements of the Constitution and laws of the state, the LTC shall issue and, from time to time, may amend or revise rules and regulations containing minimum standards of assessment and appraisal performance standards and devise necessary forms to enforce a uniform statewide system for the preparation of assessment lists, tax rolls, and assessment changes to the tax rolls.

C. The Policies and Procedures for Assessment and Change Order Practices are intended as a support manual to the existing laws of Louisiana and the existing LTC Real/Personal Property Rules and Regulations, and as each may be amended in the future relative to legislative action and Constitutional Amendment.

AUTHORITY NOTE: Promulgated in accordance with the Louisiana Constitution of 1974, Article VII, Section 18(E) and R.S. 47:1837.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Tax Commission, LR 31:700 (March 2005).

§203. Change Order Requests

A. General Provision

1. A change order request may be made to correct an error in assessment if the change does not increase the taxpayer's tax liability or the taxpayer expressly consents to the change. A change to an assessment that increases the taxpayer's tax liability is governed by La. R.S. 47:1966.

2. Change order requests shall be submitted via the LTC website (www.latax.state.la.us).

3. All change order requests shall comply with Louisiana Law and the Real/Personal Property Rules and Regulations of the LTC.

4. All change order requests shall require that the actual physical address of the property be identified. In the event that there is no actual physical street address, the assessor's office shall furnish the street/highway location and a brief location description.

5. Change order batches should not exceed a total of fifty (50) change order requests, in order to facilitate speedy transmission.

6. Change order requests are subject to audit by the LTC.

7. All change order requests should be submitted to the LTC no later than noon on Thursday of each week in order to be considered on the next public meeting docket of the LTC.

8. All change order requests are subject to review by LTC staff for approval or denial by the commission at their regularly scheduled Open Meetings.

9. The assessor shall certify that the affected taxpayer(s) have been notified of the change order request that has been submitted to the LTC.

B. Form of the Change Orders

1. LTC website change order system requests shall comply with the Louisiana State Tax Commission Electronic Change Order Export Specifications. These specifications can be found on the LTC website at www.latax.state.la.us.

a. Each parish assessors' office shall be identified by their Federal Information Processing Standards (FIPS) Parish identification code.

b. All export data submitted to the LTC shall require utilization of the standard format currently posted on the LTC's website. Any parish that imports an individual parish change order data batch into the LTC's website must adhere to the LTC's format specifications.

c. Each parish will contact the LTC's change order supervisor to set up their individual parish Login Name and Password. The chosen parish password should be confidentially guarded to protect the integrity of each parish's change order system.

C. Required content of all Change Orders.

1. All change orders shall include the following:

a. Enumerated Reason for the Change Order as provided in all regulations of the LTC.

b. Specifications identified and described in the LTC Electronic Change Order Export Specifications download file. (SEE: Rule 201.3.b above)

c. Physical Address of the Property – including full numerical street address with applicable zip code. If vacant land – street/highway and brief location description must be provided.

D. Reasons for Change Orders.

1. All Change Orders submitted shall delineate one of the following reasons:

a. Adjudicated to Parish Date adjudicated:

b. Adjudicated to City of: (municipality) Date adjudicated:

c. Exempt Non-profit organization – Application filed/exclusive use verified.
Category: Acquisition Date:

d. Homestead Exemption – Assessor's Office error.
Acquisition Date: Occupancy Date:

e. Homestead Exemption – Taxpayer application.
Acquisition Date: Occupancy Date:

f. Special Assessment Level.
Land: Improvement:

g. Improvement – Cancel. Dual to Assessment No.
(provide no.)

h. Improvement – Cancel/Not taxable. Reason:

i. Improvement – Decrease value, error in square feet and/or classification calculation.

j. Improvement – Taxpayer appraisal – Assessor concurs.

k. Industrial Exemption – Exempt Roll.
Contract No. Improvement: Personal Property:

exceed fifteen (15) calendar days from the decision becoming final. A LTC decision is final when either (1) the appeal period of thirty (30) days has run without a petition for judicial review having been filed, or (2) after disposition of a petition for judicial review under La. R.S. 47:1998.

F. Whenever a change order request is approved by the LTC, the assessor's website and all lists maintained by the assessor shall be updated to reflect such approval.

AUTHORITY NOTE: Promulgated in accordance with the Louisiana Constitution of 1974, Article VII, Section 20. (A)(1); R.S. 47:1703, R.S. 47:1703A., R.S. 47:1703.1.B., R.S. 47:1835, R.S. 47:1837, R.S. 47:1952, R.S. 47:1966, R.S. 47:1990, and R.S. 47:1991.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Tax Commission, LR 31:700 (March 2005), LR 32:426 (March 2006), amended by the Division of Administration, Tax Commission, LR 48:1518 (June 2022).

§205. Property not entitled to Homestead Exemption

AUTHORITY NOTE: Promulgated in accordance with the Louisiana Constitution of 1974, Article VII, Sections 20 and 21, Section 20(A)(1) and Section 20(A)(2), LTC Title 61, Chapter 35, Rule 3503.A.2.c. and Rule 3503.D.8., R.S. 47:1837, R.S. 47:2301, R.S. 47:2302, R.S. 47:2303, R.S. 47:2307, and R.S. 47:2307.C(2).

HISTORICAL NOTE: Promulgated by the Department of Revenue, Tax Commission, LR 31:701 (March 2005), repealed by the Department of Revenue, Tax Commission, LR 32:426 (March 2006).

§207. Use Value Properties

A. Assessors shall confirm eligibility of Use Value properties and list the properties indicating its use value classification, number of acres (by each classification), and a physical address (or clear directions to property) to enable the LTC staff appraisers to locate, if deemed necessary.

B. To be eligible for Use Value assessment classification, the property must be bona fide agricultural, horticultural, marsh or timberland and assessed at its use value under the provisions of Article VII, Section 18(C) of the Louisiana Constitution of 1974. Use value properties must meet the definition of bona fide agricultural, horticultural, marsh or timberland as described in R.S. 47:2301 ("Use value of bona fide agricultural, horticultural and timberland means the highest value of such land when used by a prudent agricultural, horticultural or timber operator for the sole purpose of continuing the operation, as a commercial agricultural, horticultural or timber use." R.S. 47:2302 "land devoted to the production for sale, in reasonable commercial quantities" or in the case of timber land "timberland under a contract with a state or federal agency restricting its use

for timber production,” and further requirements are: land “timberland under a contract with a state or federal agency restricting its use for timber production,” and further requirements are:

1. At least three (3) acres in size (no rounding up to achieve this acreage requirement), or have produced an average gross annual income of at least two thousand (\$2,000) dollars in one or more of the designated classifications for the four (4) preceding years, per R.S. 47:2303.A; and

2. The landowner has signed an agreement that the land will be devoted to one or more of the designated uses as defined in R.S. 47:2304.

3. Taxpayer shall sign a use value application, which shall be considered permanent (except the parishes of Orleans and Jefferson, which require that the taxpayer shall sign a use value application at least every four (4) years), per R.S. 47:2304 B.(1); except that in the event of a sale of the property, the purchaser must sign a new application within sixty (60) days from date of the sale.

4. Loss of eligibility – If land having a use value assessment is sold for a price four (4) times greater than its use value, the land shall be presumed to be no longer eligible to be classified as bona fide agricultural, horticultural, marsh or timberland. Some legislative provisions are further identified in R.S. 47:2305.

5. If the land ceases to meet the use value eligibility requirements, the taxpayer is statutorily responsible for notifying the assessor where the property is located within sixty (60) days following the effective date of loss of eligibility.

6. In the event that the landowner obtains a use value assessment by means of false certifications on his application, or fails to timely notify the assessor of loss of eligibility for use value assessment, he shall be liable for a penalty equal to five (5) times the difference between the tax under a Market Value assessment and the tax under a Use Value assessment for the tax years in which the use value assessment was attributable to the false certifications or failure to timely notify the assessor of loss of eligibility (R.S. 47:2306).

AUTHORITY NOTE: Promulgated in accordance with the Louisiana Constitution of 1974, Article VII, Section 18(C), R.S. 47:1837 and R.S. 47:2301, et seq.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Tax Commission, LR 31:702 (March 2005).

§209. Non-profit Organizations

A. All assessors' offices shall furnish an Application for Exemption – Real Estate Taxes to any organization wishing to apply for ad valorem exemptions provided for in Constitution, Article VII, Section 21.B and obtain all necessary supporting documents from the applicant in order to determine the exemption eligibility.

B. The assessors' offices shall review and determine whether the organization complies with the exclusive use requirement mandated by Constitution, Article VII, Section 21.B.

AUTHORITY NOTE: Promulgated in accordance with the Louisiana Constitution of 1974, Article VII, Section 21.B and R.S. 47:1837.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Tax Commission, LR 31:702 (March 2005).

§211. Industrial Exemption Properties

A. All property of manufacturing establishments with contracts for the exemption from ad valorem taxes with the State Board of Commerce and Industry or its successor, with the approval of the governor and administered by the Department of Economic Development (DED), shall be listed as exempt at the appropriate exempt percentage, until such time as the exempted contract has expired or is terminated.

~~B. Any property of manufacturing establishments subject to a contract for the exemption from ad valorem taxes with the State Board of Commerce and Industry, or its successor, shall be assessed under a separate/unique assessment number.~~

C. Property of manufacturing establishments subject to a contract for the exemption from ad valorem taxes with the State Board of Commerce and Industry, or its successor, shall be reported on the applicable reporting forms, and must include the following information:

1. Contract number
2. Start and end dates of the contract
3. Penalty years (if applicable)
4. Percent of exemption
5. Original contract amount
6. Revised contract amount (if applicable)
7. Millages subject to exemption

D. Assessors' offices shall review all Industrial Exemption applications and DED contracts issued to determine proper exempt status for ad valorem taxation purposes.

1. If an assessor determines that any portion of an Industrial Exemption is not eligible for ad valorem tax exemption, pursuant to Article VII, Section 21(F) of the Louisiana Constitution of 1974 and rules of the Industrial Tax Exemption Program, the assessor shall informally address concerns to the DED Manager of the Industrial Tax Exemption Program. If informal communication does not satisfactorily answer the assessor's concerns, formal notice shall immediately be submitted to DED, with written ineligibility reasons given.

2. All contract status reports submitted to the assessors' offices by DED and the taxpayer's annual LAT 5-A reports shall be reviewed for accuracy. Any inaccuracies noted shall be reported, in writing, to DED immediately upon discovery.

3. Assessors' offices shall review and confirm contract expiration dates and immediately notify DED, in writing, of any disparity identified. If any exempted manufacturing business is determined to have ceased its operations (business closed) during a contracted exemption period, the assessors' office should provide notice to DED of such cessation.

4. Assessors are urged to obtain rules for the Industrial Tax Exemption Program available at www.lded.state.la.us/come-to-louisiana/business-resources/state-business-incentives/industrial-tax-exemption-program.aspx or by contacting DED's Business Incentives Division.

5. The filing of an advance notice or application for an Industrial Exemption does not exempt property from ad valorem taxes, however, parish tax assessors shall give retroactive effect to a fully approved ITEP contract or renewal, consistent with the terms of the ITEP contract and the rules and regulations of the State Board of Commerce and Industry, and parish tax assessors shall process change order requests and/or approve refund request applications in order to give retroactive effect to such an ITEP contract or refund.

AUTHORITY NOTE: Promulgated in accordance with the Louisiana Constitution of 1974, Article VII, Section 21(F), R.S. 47:1837, R.S. 47:4301, et seq.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Tax Commission, LR 31:702 (March 2005), LR 32:427 (March 2006), LR 34:677 (April 2008).

§213. Assessment Policies and Procedures

A. All property within the State of Louisiana shall be assessed at a percentage of Fair Market Value or Use Value, as the law provides, and either placed on the regular tax rolls, exempt rolls, or adjudicated tax rolls. Assessors shall value property at Fair Market Value and then assessed valuations shall be based upon the percentage classification requirements of the Louisiana Constitution, Article VII, Section 18(B).

B. All property shall be reappraised and valued in accordance with the Constitution at intervals of not more than four years. This quadrennial cycle reappraisal date is determined by the Louisiana Tax Commission.

C. "Sales chasing" and "sales listing chasing" is expressly prohibited. "Sales chasing" is the procedure by which an individual property assessment is based solely upon the price the property sold for. "Sales listing chasing" is the procedure by which an individual property assessment is based solely upon the listed sales price of the property.

D. The assessors shall submit applicable reporting forms to all taxpayers located within their parish, whether taxable or exempt, to ensure equity and uniformity in the assessment and valuation of all properties utilizing proper reporting data. Reporting forms should include the items outlined in Section 211.C. for property subject to an ITEP contract. If a taxpayer fails to report or files a false report, the assessors should apply those penalties provided for in state law.

E. The assessor shall collect and consider publicly available information and data, ~~as well as, market sales, cost, and income data, in determining fair value,~~ and shall consider such information in determining fair market value. Any publicly available information and data, including market sales, cost, and income data, is deemed to have been presented to the assessor prior to the deadline for filing a complaint with the Board of Review provided for in La. R.S. 47:1992. Such information includes, but is not limited to:

1. Aerial or other photography
2. Any Louisiana public record, including those of the Clerks of Court or other political subdivisions, including but not limited to building permits, conveyance records, city directories, occupancy permits, or demolition permits, and the Department of Natural Resources, including but not limited to data from the Strategic Online Natural Resource Information System (SONRIS)
3. CAMA and/or mapping records
4. Public records

5. Legal news publications
6. Newspaper publications
7. 911 Emergency Response System records
8. Occupational licenses
9. Occupancy permits
10. Physical Inspections
11. Sales data, including but not limited to multiple listings reports (e.g. Multiple Listing Service and DeedFax)
12. Utility records
13. Voter registrations
14. Cost data or cost guides and their related sources, including but not limited to N.A.D.A., Manufactured Housing Appraisal Guide and Marshall and Swift Cost Manual
15. Income data or income guides and their related sources, including but not limited to reports from the National Apartment Association, Trends reports, the HOST Almanac, and Multiple Listing Service

F. The LTC recommends that the assessor preserve a copy of all documents and written communication submitted by a taxpayer and shall maintain an individual file for each assessment/taxpayer for at least four years and shall record the date each document was received. In addition to a copy of any documents, the LTC recommends that the assessor also maintain a log of all non-written communication from a taxpayer, including the date of the communication, a brief summary of the communication, and the name and contact information of the persons privy to the communication, which shall be maintained in the individual file for such assessment/taxpayer. Such documents, written communication, and log of non-written communication shall be confidential and not available to the public.

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

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

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

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

I. The fair market value of real property determined by the commission in connection with a review of the correctness of an assessment under La. R.S. 47:1989 shall be utilized by the assessor for assessment purposes in the subsequent tax years until reappraisal in a future mandated reappraisal year, unless there has been a change in the physical condition of the property that would justify reappraisal or a change in value. Nothing in this subparagraph shall be interpreted or applied to limit an assessor's ability or obligation to reduce an assessment due to a change in the condition of the property or under La. R.S. 47:1978 or La. R.S. 47:1978.1.

Note: Also see, Chapter 1, §111.D. thru D.3. and Chapter 3, §303.C.4. thru C.4.c.

AUTHORITY NOTE: Promulgated in accordance with the Louisiana Constitution of 1974, Article VII, Section 18, et seq., R.S. 47:1703, R.S. 47:1703.1, R.S. 47:1703.C., R.S. 47:1837, R.S. 47:1951, et seq., R.S. 47:1952, R.S. 47:1953, R.S. 47:1955, R.S. 47:1956, R.S. 47:1957, R.S. 47:1959, R.S. 47:1961, R.S. 47:1971, R.S. 47:1972, R.S. 47:2306, R.S. 47:2323, R.S. 47:2324; R.S. 47:2325, R.S. 47:2329, R.S. 47:2330, and R.S. 47:2331.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Tax Commission, LR 31:703 (March 2005), LR 34:678 (March 2008), amended by the Office of the Governor, Division of Administration, Tax Commission, LR 43:649 (April 2017), LR 46:560 (April 2020), LR 48:1519 (June 2022).