

Regular Session, 2014

SENATE BILL NO. 360

BY SENATOR RISER

TAX/TAXATION. Provides relative to reimbursement of expenses for defending assessments. (gov sig)

1 AN ACT  
2 To amend and reenact R.S. 47:1989.1(A) and (B) and to repeal R.S. 47:1989.1(C), relative  
3 to reimbursement of expenses incurred by assessors defending assessments; to  
4 provide for reimbursement for successfully defending the legality of an assessment;  
5 to require reimbursement from taxes related to the successfully-defended  
6 assessments and to provide procedures therefor; to provide for an effective date; and  
7 to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:1989.1(A) and (B) are hereby amended and reenacted to read as  
10 follows:

11 §1989.1. Appeals; assessors; reimbursement of expenses

12 A.(1) When in the performance of his duty; an assessor must defend the  
13 correctness of an assessment before the tax commission, and the tax commission or  
14 a reviewing court upholds the valuation of the assessor within ten percent of ~~said~~  
15 such valuation, each affected tax recipient body shall reimburse the assessor on a pro  
16 rata basis for the amount of the expense involved in defending the assessment.

17 (2) When in the performance of his duty an assessor must defend the

1        **legality of an assessment and the legality of the assessment is upheld, each**  
 2        **affected tax recipient body shall reimburse the assessor on a pro rata basis for**  
 3        **the amount of the attorney fees and expenses involved in defending the**  
 4        **assessment.**

5                **B. Reimbursement shall be made by the officer or officers designated by**  
 6        **law for the collection of the tax and shall be payable from the amount paid**  
 7        **under protest and held pending the outcome of the suit pursuant to R.S. 47:2134**  
 8        **or from any taxes collected as a result of a final ruling or judgment upholding**  
 9        **the assessment and prior to disbursal of the remaining balance to the affected**  
 10       **tax recipient bodies.** The pro rata amount paid by each tax recipient body shall be  
 11       based on the amount of taxes collected, including municipal taxes. The assessor  
 12       shall furnish **the collecting officer or officers with** an itemized expense voucher  
 13       which shall include amounts appropriated solely for and directly in defense of the  
 14       ~~determination of the~~ assessment being protested or appealed, which voucher shall  
 15       include but not be limited to the expenses related to the employment of legal counsel  
 16       and expert appraisers.

17       Section 2. R.S. 47:1989.1(C) is hereby repealed.

18       Section 3. The provisions of this Act shall apply to all disputes currently pending on  
 19       the effective date of this Act and to all disputes arising thereafter.

20       Section 4. This Act shall become effective upon signature by the governor or, if not  
 21       signed by the governor, upon expiration of the time for bills to become law without signature  
 22       by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 23       vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 24       effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part  
 of the legislative instrument, were prepared by Laura Gail Sullivan.

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#### DIGEST

Riser (SB 360)

Present law, relative to actions requiring an assessor to defend the "correctness" of an  
 assessment, requires each tax recipient body to reimburse the assessor on a pro rata basis for  
 the expense involved in the defense if the tax commission upholds the assessor's valuation

within 10%.

Proposed law retains present law and applies such reimbursement to expenses incurred in an assessor's successful defense of the "legality" of an assessment.

Proposed law further requires reimbursement to be paid to the assessor by the tax collector from the taxes that were successfully defended prior to disbursal of the remaining balance to the affected tax recipient bodies.

Present law requires the assessor to furnish an itemized expense voucher detailing the amounts appropriated for defense of the assessment.

Proposed law retains present law and specifies that the voucher shall be furnished to the tax collector.

Proposed law deletes requirement for the assessor to:

- (1) Receive prior approval from a certain proportion of tax recipient bodies before contracting obligations.
- (2) Give them advance notice before employing counsel or appraisers.
- (3) Provide an estimate of anticipated expenses.

Proposed law provides that it is applicable to disputes pending on the effective date of proposed law and all disputes arising thereafter.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 47:1989.1(A) and (B); repeals R.S. 47:1989.1(C))