

Letters from Louisiana— The Recovery Continues

Dear IAAO Members,

Thank you for your concern for Louisiana. We really appreciate all of the help we have received from all over the country.

I would like to say that we in Louisiana are working very hard to get back on our feet. New Orleans is beginning to make a comeback and we are hopeful that residents will begin to rebuild and return to their home state. There are still many unanswered questions as to exactly how the flooded areas will be rebuilt and when the recovery will begin. There are thousands of Louisiana residents that are still displaced outside their home parish in either other parishes or other states. The assessors in the affected parishes are busy reassessing the damaged/destroyed property and trying to get a tax roll completed. All of the dates for completion of tax rolls and tax bills have been extended to give the assessors in the affected parishes the opportunity to correct their assessments.

Because the first storm was on August 29, 2005, most of the assessors had already completed their tax rolls and were in the process of advertising and certification. The storm, of course, made some of the assessments null and void and the process had to begin again. A special session of the Louisiana Legislature was called and the various problems that had arisen with regard to damaged property were addressed.

All corrected tax rolls must be completed and filed by March 31, 2006 with the exception of St. Bernard parish, which has until June 30, 2006 to file their roll. The delay in the filing of tax rolls means that tax collections have also been delayed by 3 months. All of the parish assessors have really been working hard to accomplish their reassessments and it appears that all will meet their new deadline for filing their corrected tax roll without delay and then correct tax bills will be sent. The Louisiana Tax Commission has been able to assist some of the assessors in their reappraisal efforts and we continue to provide guidance to all assessors with regard to the new legislation passed in the Special Session that affects their offices. There has been an influx of residents into other parishes within the state and the assessors in these parishes also face challenges concerning appraisal and assessments.

We continue our quest to make Louisiana a better place through the most difficult of circumstances. Again thank you and all other IAAO members for your support during this most difficult year.

Sincerely,

Vergie Booty

Louisiana Tax Commission Administrator

Dear IAAO Members

In response to a request from IAAO concerning the aftermath and recovery in New Orleans after hurricanes Katrina and Rita, let me assure you that no one in southeast Louisiana expected or was prepared for this disastrous summer! No one!

In Louisiana we have parishes instead of counties. This comes from the old Napoleonic codes in Louisiana history. Orleans Parish and the City of New Orleans are in fact one, as the city encompasses the entire parish. Orleans Parish, unlike the other 63 parishes, sends out its property tax bills in the beginning of the year, whereas all other parishes send them out at the end (arrears). This presented a unique problem, as we (Orleans) were preparing our 2006 rolls.

Once the storms devastated our area, we could not send out bills on property that was gone and/or uninhabitable. The laws that were in place at the time only allowed (or in fact, required) that the affected flooded property be re-assessed. But this did not cover wind damage, looting, etc., which had created enormous damage in our area. Also the law had certain time tables set up which would not be possible to comply with.

The assessors, the Louisiana Tax Commission and the Louisiana Assessor's Association began meeting and proposing solutions. We met with the sheriff's office (tax collectors), the Municipality Association and the Louisiana Association of Business and Industry. The Governor called a special legislative session to deal with the storms. We were able to have legislation passed that reset time tables for emergencies (disasters) such as this. In Louisiana we also have a homestead exemption of \$7,500. All residential property is on the books at 10% of value. So the exemption means that the first \$75,000.00 is basically tax free in Orleans Parish (except for 10.9% police and fire millage). Louisiana also has a revenue sharing fund that is based partially on the homestead exemption amount in each parish. We had to have legislation that permitted people displaced from their homes to continue to receive the exemption. This meant that if we did not get legislation protecting the homestead exemption, Orleans Parish would lose over nine million additional dollars from revenue sharing! The big problem, once we were able to get out a bill that everyone was able to go along with, and believe me, that was a task in itself, we only had 30 to 40 days to reassess the affected areas.

On top of all of this, we then had the monumental task of locating our employees, many of whom had evacuated all over the south, then find housing for them so they could return to work. Believe me, no employer I've met has ever had to face this dilemma! But we did, our dedicated employees found a way to return, and we got the job done.

In Orleans Parish, we were able to use maps provided by the Federal Emergency Management Agency (FEMA) that showed the flooded areas, the depth in each area, and the duration in each area. This proved to be an invaluable tool! Our assessors assigned percentages of reduction on the improvements on the land, based on these maps. We decided not to reduce the land values themselves, as we had nothing to compare values to, and the land was in fact still there! The Louisiana Tax Commission sent some of its staff to assist in drive-by appraisals. Even though we had the maps, you couldn't really say one side of the street was 85% and the other side was 50%. So the Assessors had to realistically blend the areas.

Besides being in the middle of our annual process when these storms struck, the Orleans Parish Board of Assessors was also in the process of installing a completely new computer-aided modeling system (CAMA) system from CLT and we were scheduled to conduct training classes in October, right after the IAAO Conference and to go on line before the end of the year! These storms cancelled all of our plans and we had to redo everything using our 30-plus-year-old systems. We are proud to say that despite all of these setbacks, we were at least able to get our 2006 post-Katrina rolls on line (www.opboa.org) by January 1, 2006.

Our rolls are open for public inspection from January 3 through January 18, 2006. We must have our rolls presented to the "Board of Review" (New Orleans City Council) by January 20, 2006, so they may hold any appeals hearings.

The tax recipient agencies in Orleans Parish will probably be hit with a 55% or so loss in property tax revenue. Of course, this will dramatically affect services to our people, so the storm will have a long lasting effect on our city.

New Orleans is and always has been a unique international city. There is no other place in the world that brings so many cultures together. Our French Quarter, Jackson Square, cathedrals, French, Irish and Italian cultures. Our historic districts, street cars, and food of New Orleans are copied on every corner of the Earth, but never surpassed. Our hotels and hospitality industry are the envy of every city worldwide.

We now have the opportunity, *no the responsibility*, to rebuild New Orleans, preserving its culture and history, and looking toward a future and growth unattainable before this disaster.

We invite our colleagues and their families to come to New Orleans. You will see that even the likes of a Katrina cannot destroy the faith, will and spirit of the people of New Orleans. We ask you to spread the word, tell you friends, business associates, and yes, even your elected officials that we are here, we are open, and we want you to come!

Thank you

Thomas L. Arnold

Past President Orleans Parish Board of Assessors