

Bond Case Briefs

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Board of Com'rs of Port of New Orleans v. City of New Orleans

Court of Appeal of Louisiana, Fourth Circuit - March 16, 2016 - So.3d - 2016 WL 1061490 - 2015-0768 (La.App. 4 Cir. 3/16/16)

Political subdivision of state, as taxable entity, filed suit against city tax assessor, challenging ad valorem tax assessments on properties owned by subdivision. The Civil District Court granted subdivision summary judgment. Tax assessor appealed. The Court of Appeal reversed. On remand, the Civil District Court granted summary judgment to subdivision. Tax assessor appealed.

The Court of Appeal held that lease improvements to several properties owned by subdivision were exempt from ad valorem taxation.

Improvements owned by port and leased to third-party, private, for-profit, commercial tenants were exempt from ad valorem taxation under constitutional article expressly providing that public property used for public purposes is exempt from ad valorem taxation. Activities of the tenants fit within the port's broad, legislating mission to maintain, develop, and promote the commerce and traffic of the port and city harbor.

Engaging in for-profit activities on public property does not preclude those activities from having a public purpose, under constitutional article expressly providing that public property used for public purposes is exempt from ad valorem taxation.