

# **Bond Case Briefs**

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## **TAX - LOUISIANA**

### **Williams v. Opportunity Homes Limited Partnership**

**Supreme Court of Louisiana - March 13, 2018 - So.3d - 2018 WL 1310047 - 2017-0955 (La. 3/13/18)**

Parish tax assessor brought action challenging Tax Commission's review of assessor's use of market approach for determining the fair market value of affordable rental housing complex for ad valorem taxation and the Commission's acceptance of assessments made by its own staff based on income approach.

The District Court affirmed the Commission's decision. Assessor appealed. The Court of Appeal reversed. Taxpayer and Commission sought writ of certiorari, which was granted.

The Supreme Court of Louisiana held that:

- Preponderance of the evidence supported Tax Commission's determination that income approach was appropriate method for determining fair market value of complex, and
- Preponderance of the evidence supported Tax Commission's determination that \$1,525,000 was correct fair market value.

Preponderance of the evidence supported Tax Commission's determination that income approach was appropriate method for determining the fair market value of affordable rental housing complex, where written report by Commission's staff appraiser stated that income approach was the most reliable indicator of value for income-producing properties, and that sales-comparison approach was inappropriate in light of inherent restrictions on income return and the inability of property owners to sell without express approval of federal government after certain regulatory requirements had been satisfied and fact that there were no sales of similar complexes found within the entire state which could be used as comparables to complex.

Preponderance of the evidence supported Tax Commission's determination that \$1,525,000 was the correct fair market value of affordable rental housing complex; written report by Commission's staff appraiser in support of that value included location map, subject photograph, neighborhood, site, and demographics statements, statements of project parameters and definitions, effective tax-rate calculation, income analysis, reconciliation analysis, income and expense balance sheets, and a statement of conditions and qualifications, none of the factual data that formed the basis for appraisals was directly contradicted by any evidence submitted by parish assessor, and parish assessor presented no testimony or documentation to explain how he arrived at his assessment values.