An online search reveals surprisingly low property tax assessments on downtown buildings, leaving what could amount to millions in revenue — for our schools, libraries and public safety — on the table.

By Heather Miller

Photos by Robin May

Downtown Development
It's been more than 10 years since property tax information went digital in Lafayette Parish and brought your neighbor's tax bills to a new level of public, immediate access. But has the web-based transparency—in part set up for residents to self-examine and uncover potential inequities in property values and omissions from local tax rolls—been an effective oversight tool for local tax coffers?

According to Lafayette Parish Tax Assessor Conrad Comeaux, not particularly. "People will call and ask questions, but they're usually pretty coy about things," Comeaux says. "They don't want people knowing they ratted someone out. My office would not disclose the identity of property tax tipsters, but the neighbor usually knows who the ratter is."

Several months ago, amid an inter-office lesson on how to navigate the online property tax search tool found on the assessor's website, The Independent inadvertently became "the ratter" when staffers discovered more than a handful of buildings on Jefferson Street with questionable property values.

When asked about a few of the findings, Comeaux admits that at least some Jefferson Street real estate is looking "awfully low" on the assessment scale.

Property taxes fund the most fundamental of public services in Lafayette Parish—schools, city-parish government, fire protection, waterways—and businesses have historically carried the burden in Louisiana thanks to the state's high homestead exemption. With one simple search on the assessor's website finding what could prove to be inequities in our neighboring downtown businesses and even the office space leased by this newspaper, one has to wonder what kinds of projects our local public agencies could be funding if there were "a ratter" on every block.

Randomly plugging downtown addresses into the assessor's website, some of the most eye-popping returns include Antler's, Frankie's and Teche Drugs. Agave on Vermilion Street, the thriving Mexican cantina that's listed on the assessor's website as an office building valued at $31,966, has paid $410 a year in property tax for the past four years. Also classified as office buildings downtown are Athena, the Mediterranean restaurant with a $440 annual tax bill, and Teche Drugs, a local pharmacy with a listed market value of $71,466, according to the assessor's records.

"Property values in downtown Lafayette probably need some review," Comeaux laments. "It's a difficult area, one of the more difficult to assess. Renovations and other things factor in. That's part of the problem we're having in our office. When you're reviewing these things by hand, these things get missed. Without having the characteristics of those buildings and a system that can value them, that's why you end up with this situation."

The assessor's office has three methods to choose from when valuing property in Lafayette Parish: the income approach, based on income derived from that property; cost approach, what would it cost to replace the building; and market approach, based upon the sale and lease prices of buildings.

Though Comeaux says "we use whatever method we have at our disposal" to assess the property, the local tax assessor attributes the downtown property value discrepancies to a lack of commercial sales to review during reassessment periods every four years. "When you don't have sales, you usually increase the values by a percentage. Let's say you bump up the land by 10 percent and the building by 10 percent," Comeaux says. "Four years later you come back there's no sales, then you go through the same routine. You do that after so many reassessments, the increases haven't necessarily kept up with market."

A majority of the buildings in question are leased by the downtown businesses. Among the list of downtown property owners are surnames like Saloom and Chappuis—historically huge landowners in Lafayette Parish who have also been identified as paying agricultural property tax rates—read pennies—on large tracts of family-owned, vacant land in the city's most commercially developed corridors. Asked whether some of the downtown properties could have been purposely ignored over the past few decades, Comeaux says he has heard stories about past assessors but maintains "it's not occurring now."

"In inheriting a lot of stuff I've got to clean up," says Comeaux, who in January began his 13th year in office. "You could be finding some of those things."

Part of Comeaux's solution to getting a grasp on property valuations in the parish is finishing the rollout of new software his office installed in 2010, which Comeaux says will eliminate the task of assessing parcels by hand.

"The old software on the main frame computer was simply an assessment administration package, meaning you calculated numbers on calculator and pen and paper, then put those numbers into the computer, kept track of values, and calculated taxes due," Comeaux says. "With the new system, you can put in characteristics and have the system generate values. We're not quite at that component yet."

But the software does little good for this year, a reassessment year, without having a firm handle on the characteristics that exist within businesses and residences in the parish and, more important, the characteristics of businesses and homes that have changed or somehow been permanently gloved over.

"We try to base it on the factors that we have at hand. In some respects, it is subjective to an extent," Comeaux says. "If you got five appraisers in here today, you'd get five different answers. It's not an exact science. You can't just throw it in a machine and everything comes out the same every time."

For that problem, Comeaux initially explored the option of hiring an outside company for help with tackling the structures and lots in need of reviewing. Comeaux now says the estimated $1.5 million it would take to do so is cost-prohibitive for his office, so instead he's hiring several outside companies to hone in on smaller tasks, like carving out building outlines, doing "street-level imagery" and capturing the characteristics needed to adequately assess the more than 30,000 parcels sitting in Comeaux's office.

The assessor does not expect to hire a company to document building characteristics in time for this year's reassessment process. Even if he hired one tomorrow, he says the job could take up to two years to finish.

When looking at residential properties, Comeaux says newer subdivisions are the easiest to value because of their homogenous characteristics. It's hard to gauge just how far behind the Hub City's older neighborhoods are on their property values due to age exemptions and other property tax factors, but a quick glance at the Saint Streets and the downtown neighborhoods showing subtle signs of gentrification reveal, in all likelihood, at least a few areas worth exploring.

Comeaux has considered asking other public bodies, specifically the ones that benefit from property tax revenues, to share in the cost of a thorough review of property values. "Frankly, I could ask the other tax bodies to kick in ... but they're all strapped right now."

CONTINUED ON R 11
But if one simple Internet search reveals a city block choked full of potential property undervaluations, investing in a thorough review of Lafayette Parish's property tax parcels could go a long way in terms of revenue streams, n’est pas?

### REASSESSMENT 2012

As Louisiana Association of Business and Industry President Dan Juneau points out in a recent column, homeowners here have little to worry about when it comes to their annual property tax bills.

Citing The Tax Foundation’s “multi-level comparison” of residential property taxes in the U.S. and D.C., Louisiana ranks “dead last” on residential property taxes based on a percentage of median home value, according to Juneau.

“Property taxes consume only .35 percent of household income, half the amount of the next closest state,” he writes. “Louisiana residents’ property taxes come to only .14 percent of the value of their homes.”

Nonetheless, the quadrennial process known as reassessment, which evaluates and determines the fate of property tax bills around the state, never falls short of bringing a “lot of confusion and grassroots” to the property tax puzzle. Heigl’s Lafayette Parish Tax Assessor Contrad Conrada’s take on what’s to come this year in terms of reassessment.

**IND:** When does the reassessment period officially start? How does the office handle the daunting task?

**COMEAX:** We’re gradually easing into reassessment. Our target date for this reassessment is Jan. 1, 2011. What that means is we’ll be looking at sales that occurred six months prior to that and six months after that, seeing what has happened in the market since the last reassessment. Once we see what sales are doing, we make adjustments accordingly. Once we do subdivisions, we’ll look at those properties outside of subdivisions.

**IND:** What are some predictions for residential property valuations this year? Any big increases or decreases expected?

**COMEAX:** From anecdotal evidence, it appears that homes in the $200,000 and $250,000 and below price range, the prices have held pretty steady over the past four years. Prices between, say that and $750,000, that we may see some changes. We have to evaluate area by area, can’t say that parish-wide those homes will be changing (increasing or decreasing, either way), except in the lower ranges you can see it’s been steady. The more expensive homes haven’t seen much change.

**IND:** How about commercial properties? What kind of changes can businesses expect to see in their property tax bills?

**COMEAX:** Commercial is more difficult because you don’t have as many sales. It’s difficult to say in broad strokes without seeing the numbers and where the sales are.

**IND:** What are some of the most difficult properties and/or areas of the parish to assess? Why?

**COMEAX:** Downtown and River Ranch. Downtown because the buildings are so old and commercial sales are seldom. In River Ranch, you have a variation in what sells per square foot. You could see a range of $125 per square foot up to $500 per square foot. That’s what makes River Ranch difficult. You could have two houses sitting next door to each other. They look exactly alike, but they’ll sell for a $200,000 difference. One has Italian marble, gold fixtures, other amenities, that’s what makes our job difficult. How do you put a value on those two houses if they don’t sell? What price are you going to use to assess them?

**IND:** The assessor’s office has new software in place. What are the new system’s capabilities as compared to the software of old? How is the new system going to impact reassessment?

**COMEAX:** New software went into production in 2010. We produced our first tax roll with it, but we’re continuing to massage it. These are complex systems; it’s a long process. The old software on the mainframe computer was simply an assessment administration package, meaning you calculated numbers on calculator and pen and paper, then put those numbers into the computer, kept track of values and calculated taxes due. With the new system, you can put in characteristics and have the system generate values. We’re not quite at that component yet. That’s why reassessment takes so long.

(Courtesy of The Lafayette Parish Assessor’s Website)

### WHERE PROPERTY TAX DOLLARS GO (2010)

<table>
<thead>
<tr>
<th>Category</th>
<th>Dollars (2010)</th>
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<tbody>
<tr>
<td>General Funds</td>
<td>30.2%</td>
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<tr>
<td>Public Buildings</td>
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<tr>
<td>Police &amp; Fire Departments</td>
<td>17.7%</td>
</tr>
<tr>
<td>Police Salaries</td>
<td>16.7%</td>
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</tbody>
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**School Board** 39.6%

**City-Parish Government** (See detail below)

- **Sheriff** 19.8%
- **Library** 7.7%
- **Economic Development** 2.3%
- **Airport** 2.0%
- **Assessor** 1.8%
- **Bayou Vermilion** 1.1%

**BREAKDOWN OF LCG PROPERTY TAX DOLLARS**

- **Playgrounds & Recreation** 10.7%
- **Streets & Roads** 7.3%
- **General Funds** 50.2%
- **Public Buildings** 6.3%
- **Police & Fire Departments** 17.7%
- **Police Salaries** 16.7%
- **Fire Salaries** 11.1%