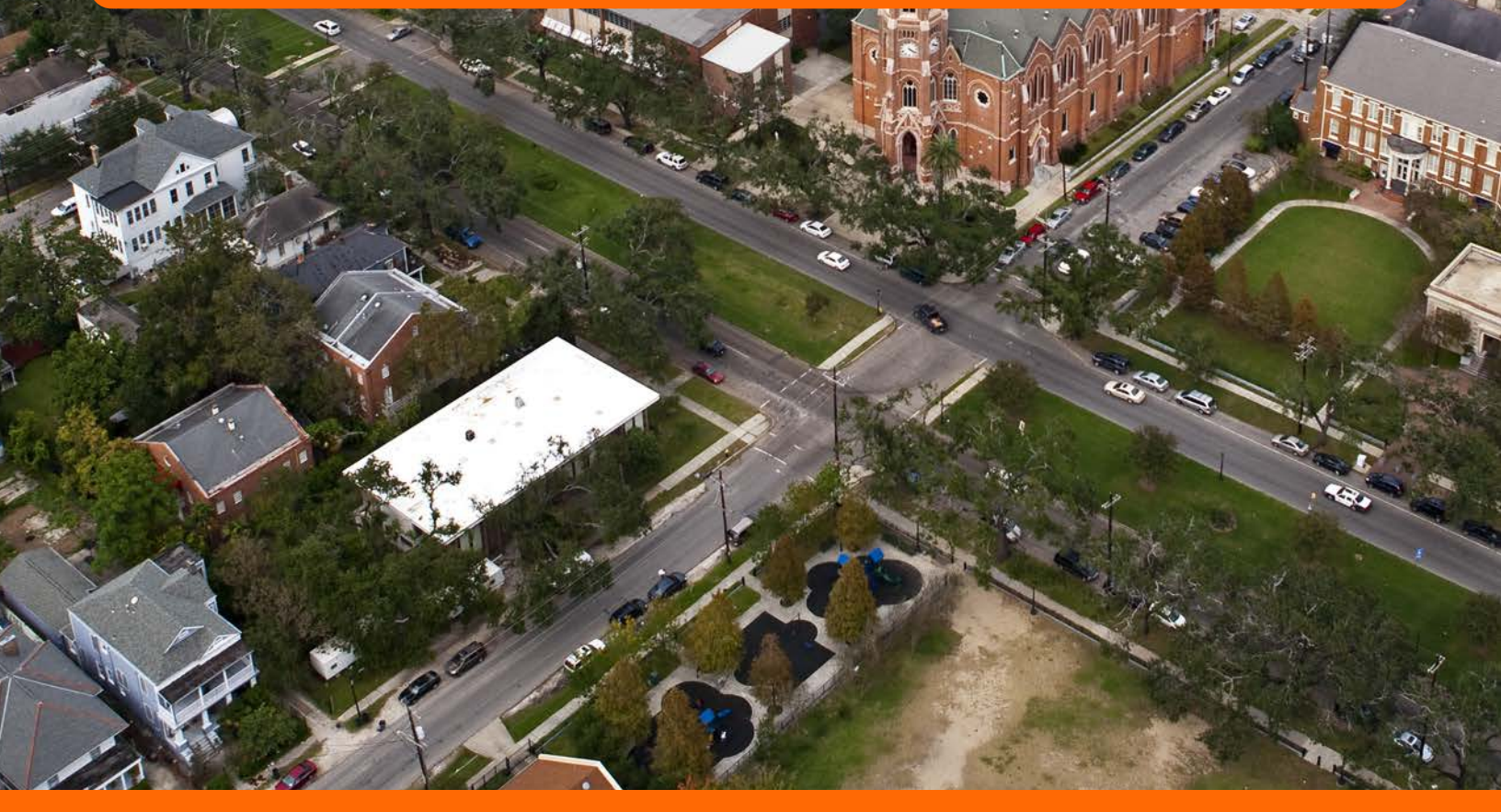


BGR

Off the Rolls

Managing the Impacts of Tax-Exempt Property in New Orleans

November 2026



2026

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Executive Summary

New Orleans' Tax-Exempt Real Estate by the Numbers, 2025

37% of all real estate value in New Orleans is exempt from property taxes. That's about $2.7 billion out of $7.48 billion.

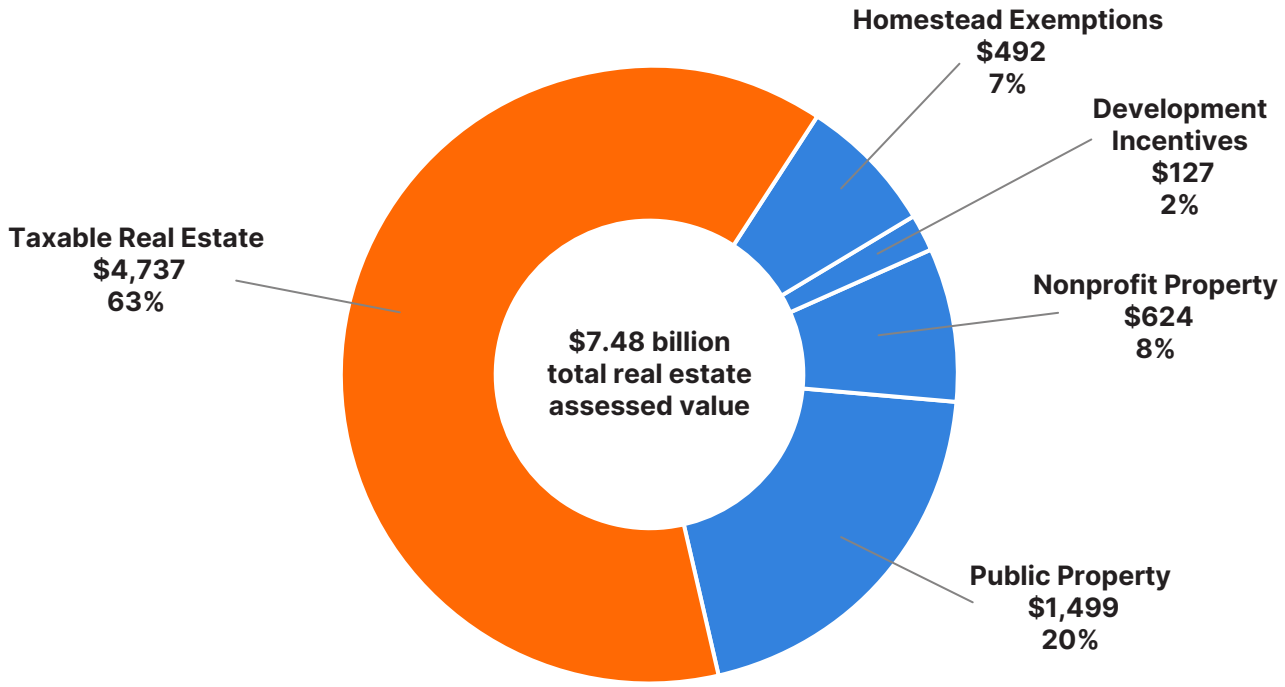
33% is still exempt when you also count business equipment and utility property, which are taxed too.

65,720 New Orleans homeowners get a homestead exemption, which takes the first $75,000 of a home's value off the tax bill.

10,307 other properties are fully exempt from property taxes: 5,834 owned by government (20% of the city's real estate value), 3,954 owned by nonprofits (8%), and 519 that got tax breaks to encourage development (2%).

How Much of New Orleans' Real Estate Is Taxed? (2025)

(Dollars in millions of real estate assessed value. Blue slices don't pay property taxes.)



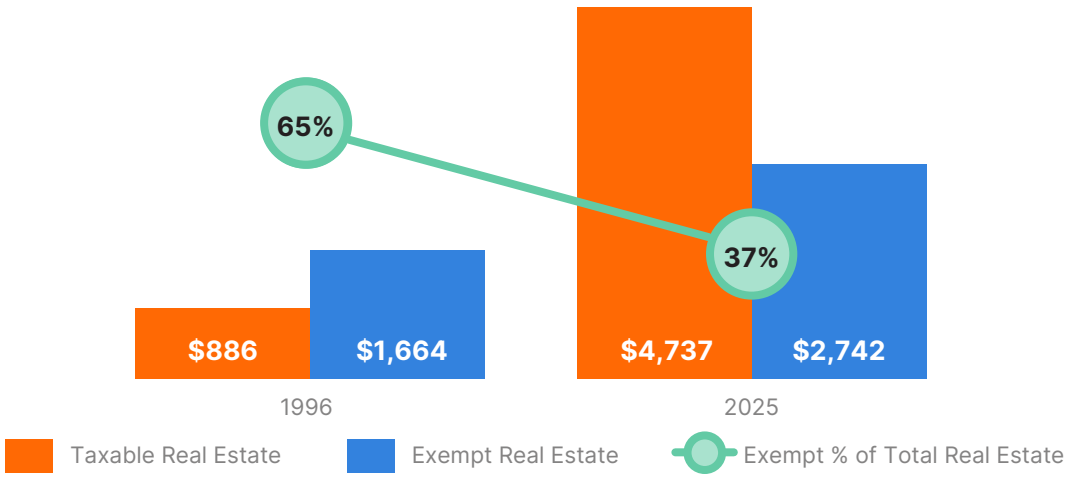
- **How much New Orleans real estate is tax exempt?** BGR found $2.74 billion in exempt real estate assessed value, or 37% of the citywide total in 2025.
- **Why does that matter?** Property taxes provide about half of all local tax dollars in New Orleans. Exemptions reduce revenue for public services and infrastructure and shift costs to taxable residents and businesses.
- **Are exemptions always a problem?** No. They can support important public goals, including government operations, nonprofit services, homeownership and economic development. But Louisiana's exemptions are constitutionally protected and broadly structured. And their benefits are rarely evaluated against their costs.
- **What should policymakers do?** They should consider a fair fee proposal that requires exempt property to support the public systems they use. Policymakers should also make tax exemptions more transparent, better targeted, and more accountable. They should avoid expanding exemptions without clear fiscal analysis and justification.

This report explains the major types of exemptions, the public goals they serve, and the risks they create. Using New Orleans as a case study, it analyzes the 2025 exempt property roll and historical data to show how much assessed value is off the tax rolls and who owns exempt property. The analysis also places New Orleans in broader context in Louisiana and examines the benefits and costs for local governments and taxpayers. The report does not argue that all exempt property should be taxed. Rather, it aims to help the public and policymakers understand the tradeoffs and manage them more effectively. BGR makes recommendations for policy change.

Report Highlights

- **New Orleans' 37% exempt share remains large.** That share is down from BGR's finding that 65% of real estate assessed value was off the tax rolls in 1996. The growth in taxable property value since the 2005 Hurricane Katrina disaster has flipped the shares of exempt and taxable real estate. But even at 37%, exemptions still are a major structural constraint on the property tax base. The share is probably among the largest nationally, rivaling other old cities with large public, health care, higher education and nonprofit footprints. New Orleans' inability to expand geographically makes the fiscal pressure more pronounced. The share of exempt value has also persisted even as the number of exempt parcels (excluding owner-occupied homes receiving the homestead exemption) has fallen nearly 30% since 2011, from 14,566 to 10,307 parcels. The drop primarily results from the return of many government-purchased, Katrina-damaged homes to commerce.

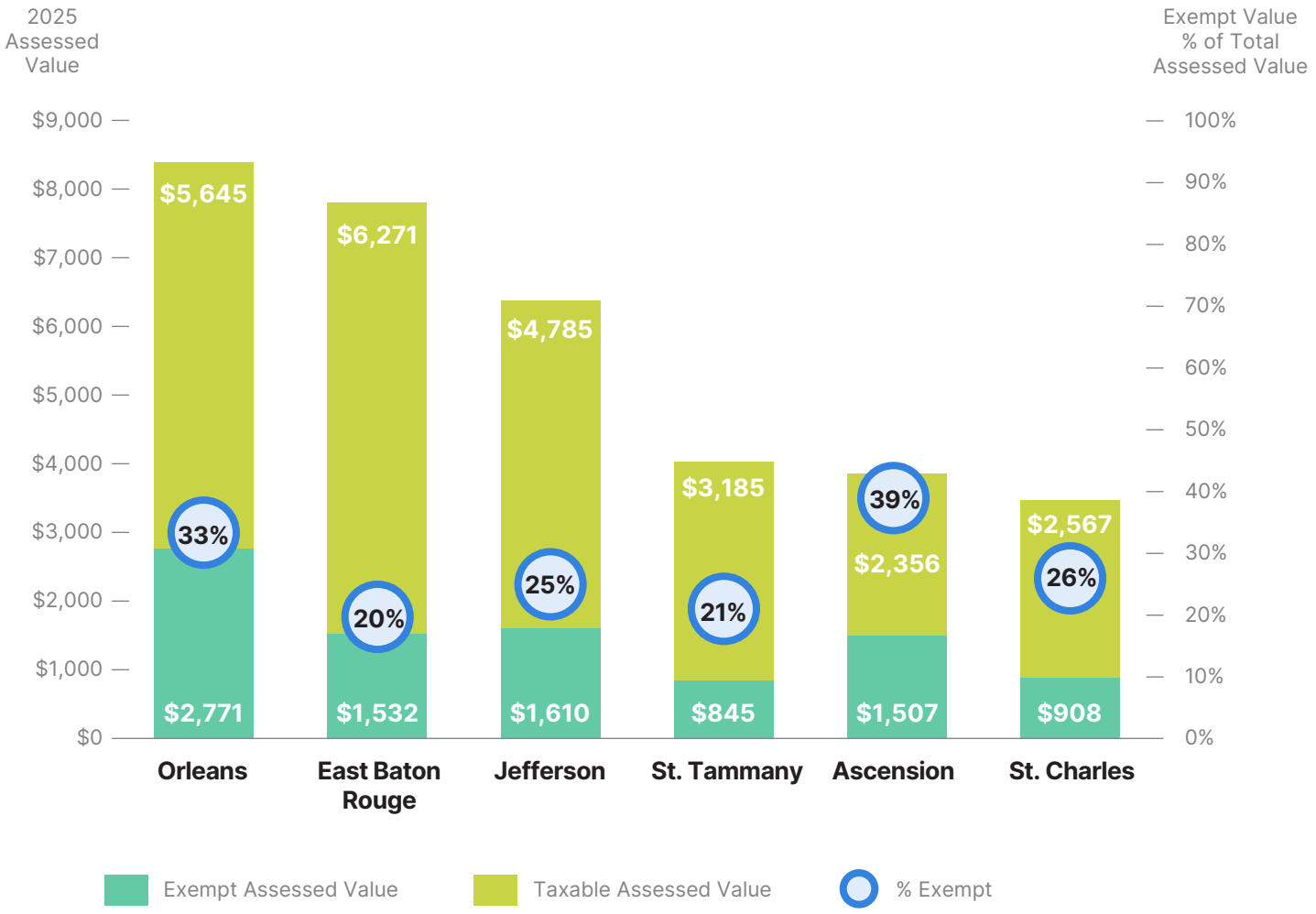
New Orleans' Shift in Taxable and Exempt Shares of Real Estate Assessed Value, 1996 to 2025
($ figures in millions)



- **The fiscal stakes are substantial.** To illustrate, if all exempt real estate were taxable at 2025 rates, local governments in New Orleans could receive about $316 million more annually. If revenue stayed constant, the overall millage rate could have been about 32% lower. BGR presents these figures only as preliminary estimates of the impacts that must be managed, rather than to suggest that every exempt property should be taxed. BGR's report also highlights examples of community benefits, such as government costs avoided, the value of uncompensated health care provided, and local employment and purchases, that should be considered alongside the costs. The point is that public officials should make informed decisions whenever they consider removing property from the tax rolls.

- **The problem is not limited to New Orleans.** To put New Orleans in context, BGR developed high-level, comparable data from Jefferson, East Baton Rouge, St. Tammany, St. Charles and Ascension parishes. For this analysis, BGR looks at the entire tax base, not just exempt real estate, because in parishes along the Mississippi River, large portions of the taxable and exempt rolls consist of industrial plant equipment, which is classified as business personal property rather than real estate. Considering the entire tax base, 33% of New Orleans' assessed value is not taxed. This is the second-highest share after Ascension Parish, and other parishes are not far behind, as shown in the chart.

Percentages of Tax-Exempt Property in Six Southeast Louisiana Parishes, Based on Total Assessed Value for 2025 Tax Year
($ figures in millions)



- **Reform is difficult because exemptions are constitutionally protected.** Changing exemptions requires voter approval after a two-thirds vote of the Legislature. This hurdle makes reform politically and legally challenging. It increases the importance of local policies, data quality, valuation practices and accountability measures.
- **Transparency and data quality remain central problems.** Louisiana lacks a statewide exempt-property database. Parish assessors vary in how they record and revalue exempt property. The Orleans Parish Assessor corrected two errors in the Orleans exempt roll that BGR identified as inflating the value of tax-exempt real estate by $721 million.
- **Exempt value is concentrated among major institutions.** Although New Orleans has more than 1,100 owners of non-homestead exempt real estate, much of the assessed value is held by large public and nonprofit owners. They include the federal, state and city governments, public schools, and health care, religious, and university institutions. This composition is not unusual for cities like New Orleans. But it underscores the need to scrutinize eligibility and property use.
- **Public officials should pursue fair service charges to raise revenue from tax-exempt properties.** BGR estimates exempt real estate covers 22% of New Orleans' developed land area. This highlights the potential effectiveness of a parcel fee. Fees, if carefully crafted, transparent and accountable, can enable tax-exempt owners to make a financial contribution to the services and infrastructure on which they and other members of the community rely.
- **BGR has generally discouraged creating more exemptions or expanding existing ones.** New tax relief proposals should clearly assess the extent of taxpayer need and match it to a precise solution that is strategic, fair and effective. Voters can and should demand higher standards. BGR notes that, while the Legislature is primarily responsible for tax exemption proposals, voters on November 3 amended the constitution to let parish and city officials seek a local vote to increase the homestead exemption for senior citizens.

Questions You Can Ask About Tax Exemption Proposals

Ultimately, voters are in control of tax exemptions, and they should demand greater accountability for current and proposed exemptions. Key questions to ask legislators and parish and city officials when they make exemption proposals include:

- What problem is the proposal trying to solve? What evidence do you have?
- Who will stand to benefit from the proposal, and by how much?
- Who will not benefit, and how might this proposal increase the tax burden on them?
- How would the proposal potentially reduce local government funding for services and infrastructure?
- Is there a better alternative to the proposal? What options have you studied?
- How will I be able to track the future benefits and costs?

Summary of BGR's Recommendations

Because constitutional reform is difficult in Louisiana, the report points state and local officials toward practical action:

- Alternative revenue-raising mechanisms, such as fees
- Better exempt-property data
- Stricter scrutiny of eligibility and use requirements
- Tighter limits on discretionary incentives
- Clear fiscal analysis and justification before any expansion of exemptions

BGR suggests prioritizing time-sensitive recommendations because of the risks to New Orleans' drainage system funding and the approaching 2027 legislative session, Louisiana's next opportunity to consider fiscal measures such as tax exemptions. BGR's recommendations are summarized here and presented in full in the report's Conclusion and Recommendations section.

Top Priority

- **To provide a way for tax-exempt property to help pay for drainage and other New Orleans infrastructure, City of New Orleans leaders should develop a fair, transparent and accountable fee proposal by 2027 for clearly defined and prioritized infrastructure needs.** For example, BGR has found that the drainage system's needs for new revenue are substantial, and 60% of its existing revenue is at risk if one of the three drainage property taxes expires in 2027 and another follows in 2031. Stable and sufficient funding for New Orleans' drainage needs will likely require both a fee and an extension of some or all of the current 14.26 mills of property taxes. If carefully implemented with a prioritized spending plan, a stormwater fee can distribute costs more fairly among those who benefit from flood protection, including owners of tax-exempt properties. It is also important to prioritize the fee proposal because of the potential need to modernize stormwater fee laws in the spring 2027 legislative session.

Other Recommendations

- Also in 2027, the **Louisiana Legislature should:**
  - Require standardized statewide reporting by assessors of exempt-property values, exemption type or classification, and ownership.
  - Provide for a periodic review at least once a decade of the fiscal benefits and costs of property tax exemptions statewide.
  - Study the potential for a future constitutional amendment to give the Legislature greater control over requiring nonprofit property owners to demonstrate their property is used for an exempt purpose.
- **Legislators and parish and city officials** should avoid creating or expanding exemptions without a fiscal analysis of the benefits and costs of the change, including the affected taxing bodies and distribution of shifted costs. Voters should reject proposals that do not provide a clear analysis and justification.
- **Assessors** should collaborate on standard guidance they can use to value exempt property (other than homesteads) and report it publicly to bring greater consistency and reliability to information on exempt property.
- **Local government entities** authorized to grant development incentives should adopt written policies for administering their property tax incentive programs that require finding each incentive is strategic, necessary, efficient, effective and fair, as further explained in BGR's 2024 letter to the New Orleans City Council.
- The **City of New Orleans** should identify vacant or underused property it owns that could be put to more productive use, boosting tax revenue, lowering maintenance costs and strengthening neighborhoods.





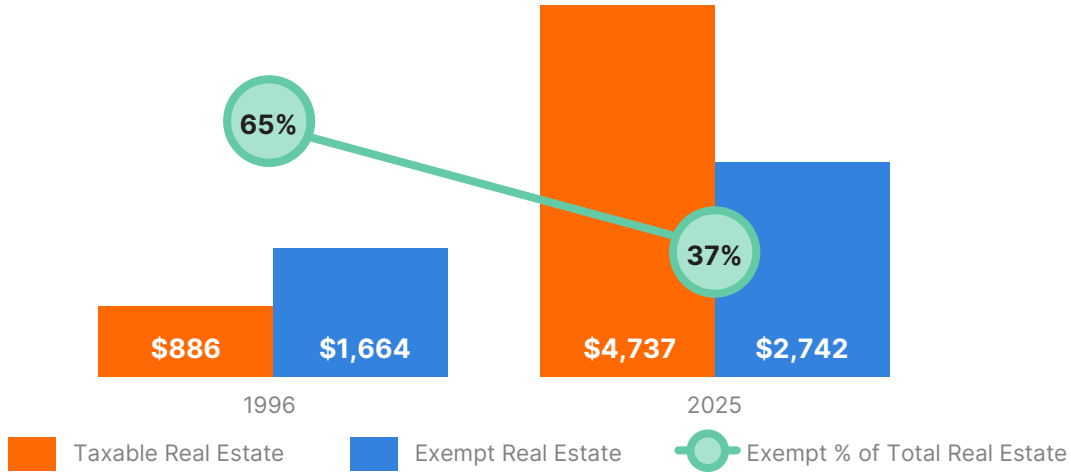
Introduction

Property taxes produce about half of all local tax dollars in New Orleans.[1] They support public safety, education, levees, drainage, parks, libraries, and many other services and infrastructure. In some cases, such as levees, drainage and libraries, property taxes supply almost the entire budget.

But the tax burden is not borne by everyone in the city. In 2025, exemptions removed approximately $2.74 billion, or 37%, of real estate assessed value from the tax rolls. This is one of the largest percentages in Louisiana and appears comparable to the high exempt shares reported in several older U.S. cities with large concentrations of public, health care, higher education and non-profit property.

Thirty years ago, exempt property was an even larger percentage. BGR found that 65% of New Orleans real estate assessed value went untaxed in 1996.[2] Since then, the tax base grew with rising real estate prices and the correction of widespread underassessment. Valuations of exempt property also increased, but at a slower pace. These factors combined to produce today's lower but still substantial 37% exempt share, as shown in Chart A.

Chart A. New Orleans' Shift in Taxable and Exempt Shares of Real Estate Assessed Value, 1996 to 2025
($ figures in millions)



BGR analysis of the exempt property data from the Orleans Parish Assessor's Office and the Louisiana Tax Commission.

Even at 37%, New Orleans faces serious risks and impacts from a structurally narrowed tax base. The chief concerns are that (1) exemptions increase fiscal pressures on government entities by reducing their ability to generate revenue, and (2) they shift the tax burden to other residents and businesses in the community. These concerns can be overshadowed when legislators and their constituents push to enact and expand tax relief. They focus on the immediate win – a new development or immediate cost savings – without regard for the big picture or lasting impact.

Moreover, once the exemptions become law, they are rarely evaluated. It is difficult to tell their cost or effectiveness in producing public benefits, such as relieving a cost burden for local government or improving the quality of life. Transparency is also lacking because exemptions are off the tax rolls. Because exempt property doesn't produce taxes, assessors tend to inspect and revalue it less frequently than taxable property. There is no State of Louisiana (State) body with clear oversight of exempt property. And with Louisiana's 64 parish assessors working independently, it is difficult for the public to access and make sense of the data that does exist on tax-exempt property. Louisiana needs more complete data to understand the costs of the taxes it isn't collecting.

This fall, New Orleans voters are seeing some competing priorities on display. On one hand, New Orleans' new mayor has formed a task force to analyze options for parcel-based fees, which may support drainage, streets, water or other infrastructure. As of this report, the task force continues its review and has not yet proposed a fee. In concept, a parcel-based fee would allow owners of exempt properties to begin contributing to the city's infrastructure needs. This would spread the costs of repair, replacement, operation and maintenance over more payers. The fee study has taken on greater urgency because a key drainage property tax expires in 2027, unless renewed by voters, as BGR has reported.[3] In addition, the mayor has formed a working group to identify pieces of the City's vast real estate holdings – more than 1,500 properties identified in this report – that could be sold off, leased, or otherwise put into commerce for more productive and potentially taxable uses.[4]

But on November 3, Louisiana voters approved a constitutional amendment to allow cities and parishes to seek a major expansion of the homestead exemption. The amendment would permit a local option vote to exempt an additional $60,000 to $300,000 of a home's market value for seniors who qualify for a special freeze on their maximum property assessment when they turn 65. The additional exemption would be on top of the current homestead exemption that covers the first $75,000. Voters also amended the constitution to raise the income to be eligible for that special assessment level from $102,700 to $150,000, adjusted annually for inflation. The Louisiana State Legislature passed both amendments with near unanimity and no meaningful estimates of the impact on local tax revenues in the fiscal notes. The potential revenue impacts have raised concerns for property tax-dependent school boards and other government entities.[5]

As voters and policymakers face these and other issues, this report explains the major types of exemptions, the public goals they serve, and the risks they create. Using New Orleans as a case study, it analyzes the 2025 exempt property roll and historical data to show how much assessed value is off the tax rolls and who owns exempt property. The analysis also places New Orleans in broader context in Louisiana and examines the benefits and costs for local governments and taxpayers. The report does not argue that all exempt property should be taxed. Rather, it aims to help the public and policymakers understand the tradeoffs and manage them more effectively. BGR makes recommendations for policy change.

The sidebar provides a glossary of key terms to know for this report.

Glossary of Key Terms to Know about Property Tax Exemptions

Assessed Value. The Louisiana Constitution classifies property subject to taxation and requires it to be assessed at a percentage of its fair market value.* Local taxing bodies levy their property taxes on the assessed value, not the market value. Therefore, BGR uses assessed value to evaluate the impacts of exemptions on government revenue and taxpayers. The constitution sets the assessed value for different classifications of property:

- Land and residential buildings, 10% of market value
- Commercial buildings and other improvements, and personal property used by businesses, such as machinery, fixtures and furnishings, 15%
- Public service property (excluding land), such as properties owned by utilities, railroads, and pipeline companies, 25%

Assessor. The assessor is an independently elected parish official responsible for determining the fair market value of most property subject to taxation within the parish.** The exception is public service property, which is assessed by the Louisiana Tax Commission. In Orleans Parish, the assessor is elected at the same time as the mayor and City Council. The assessor's property valuations must be done at least once every four years. They are subject to review by the parish governing authority, which is the City Council in New Orleans. Further appeals go to the Tax Commission and ultimately the courts. Before 2011, Orleans had seven elected assessors. Each represented a district, and together they governed as the Orleans Parish Board of Assessors. Voters amended the State constitution in 2006 to replace the seven assessors with a single, citywide assessor, who took office January 1, 2011.

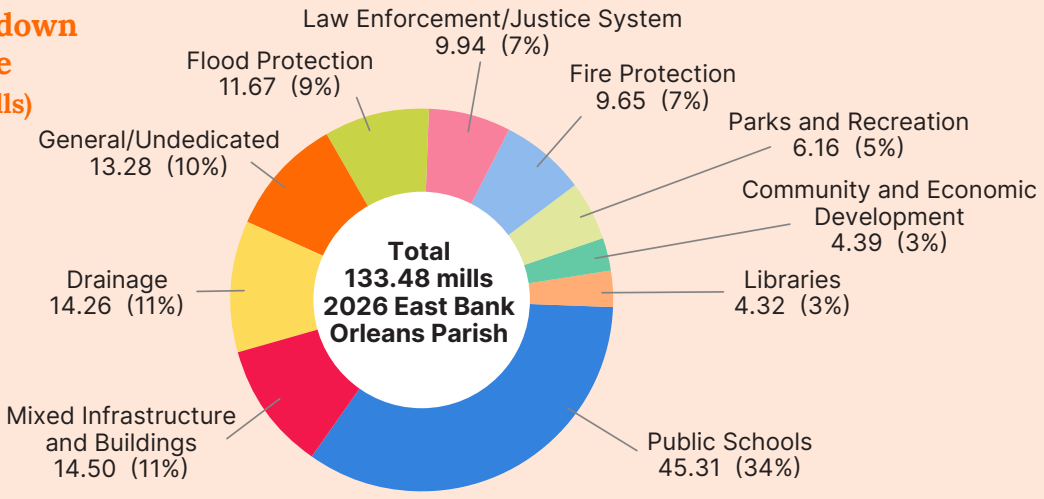
Homestead. An owner-occupied primary residence.***

Louisiana Tax Commission. This State body is responsible for ensuring fair, accurate and uniform property taxation in Louisiana.**** The Tax Commission consists of five members, one from each of the state's five Public Service Commission districts. They are appointed by the governor and confirmed by the Louisiana State Senate. Commissioners serve at the governor's pleasure. The Tax Commission provides oversight of parish assessors and adopts rules to implement Louisiana's property tax laws. The commission also hears appeals of tax assessments from the local level. However, as discussed in this report, it does not have oversight of exemptions.

Millage. Property tax rates are expressed in mills, hence the term "millage." A mill is one-tenth of one percent, or $1 for every $1,000 of taxable assessed value. Different taxing entities charge different millage rates. Their combined millages make up your total tax rate.†

Property Tax. A tax assessed on the value of property, sometimes called by the Latin phrase an "ad valorem" tax. The Louisiana Constitution and statutes grant taxing authority to local governmental entities in each parish. In New Orleans, for example, the major taxing authorities include the City Council, Orleans Parish School Board, the flood protection authorities, and the Orleans Parish Sheriff. Property taxes fund a wide range of governmental purposes, as shown in Chart B from BGR's online *Property Tax Dashboards*.

Chart B. Breakdown By Purpose
(Figures in mills)



Property Tax Exemption. A tax exemption removes all or a portion of a property's assessed value from the local tax base before tax rates are applied.‡ BGR distinguishes exemptions from property tax credits and assessment growth limits. Even though both affect government revenue, they do not remove taxable assessed value from the rolls.

- A property tax credit reduces the tax liability that is based on a property's full assessed value. In Louisiana, when a homestead-exempt property's value increases by more than 50% in a year, Louisiana's constitution directs the tax collector to "phase in" the additional tax liability over four years. This phase-in changes the tax amount, but not the underlying assessed value of the property.
- Louisiana's "special assessment levels" cap the property assessments of exempt homesteads owned and occupied by (1) residents age 65 or older whose annual income does not exceed a certain level ($102,700 in 2026), (2) disabled veterans, or (3) veterans who were missing in action or prisoners of war, or the surviving spouses of those killed in action. The special assessment can remain until the house is sold or its value increases more than 25% because of construction or reconstruction. The caps stop the taxable assessed value from rising with market appreciation, causing a loss of future revenue growth, but taxes are still owed on the baseline value.

* La. Const. Art. 7, Sec. 18.

** La. Const. Art. 7, Secs. 18(D), 18(F) and 24, and the Louisiana Assessor's Association website.

*** Lincoln Institute of Land Policy and Minnesota Center for Fiscal Excellence, *50-State Property Tax Comparison Study for Taxes Paid in 2025*, April 2026, p. 2. Louisiana defines homesteads eligible for the homestead exemption in La. Const. Art. 7, Sec. 20.

**** La. Const., Art. 7, Sec. 18, La. R.S. 47:1832, and the Louisiana Tax Commission's website.

† For a general overview of Louisiana property taxes and how they work, see https://www.bgr.org/about-your-property-taxes/. This explanation is part of BGR's *Property Tax Dashboards*, an interactive online resource where you can find the property tax rates for Orleans, Jefferson and St. Tammany parishes.

‡ Kenyon, Daphne A., Adam H. Langley, and Bethany P. Paquin, "Property Tax Relief, The Case for Circuit Breakers," *Lincoln Institute of Land Policy: Land Lines*, April 2010, p. 13. Louisiana's property tax phase-in and special assessment levels are found at La. Const. Art. 7, Sec. 18.

What Are Louisiana's Property Tax Exemptions?

This section explains the four main types of property tax exemptions in Louisiana: public property, nonprofit property, homestead exemptions, and development incentives. For each, BGR reviews the scope, goals and risks.

Public Property

Louisiana provides a broad exemption for "public lands and other public property used for public purposes." It covers primarily property owned by federal, state and local government entities.[6] Some private entities can receive the benefit of the exemption by leasing government property for developments that further a public purpose, such as economic development.

The Legislature has the power to define public use, as Louisiana courts have determined. For-profit activities can occur on public property and still be "in harmony with" the public owner's legislative purpose and mission and provide a public benefit.[7]

The public property exemption is by right; there is no application or administrative process. Among its policy goals, the exemption prevents interference by other taxing authorities. Having to pay taxes to another government, such as a federal agency to a state government, could distort policy decisions and strain finances.[8] It also makes little sense for a taxing authority, such as the City of New Orleans, to tax itself.[9]

Cities and parishes, such as New Orleans, with large concentrations of government-owned property feel the impact on their tax bases. This has prompted interest, discussed later in this report, in levying user fees for key services and infrastructure, such as stormwater management.

Public Property
Public lands and property used for public purposes

Louisiana Exempts: Primarily federal, State and local government property, plus privately owned property serving a public purpose.

Policy Goals: Protect governmental entities against interference by other taxing bodies. Prevent a government from taxing itself.

Risks: Public property can limit a parish's tax base. And without a clear strategy, criteria or safeguards for private lessees, the exemption can lead to unnecessary subsidies and unfairness.

In addition, government entities that extend the exemption to private developers without a clear strategy or public returns risk unnecessary tax breaks that reduce revenue potential and make the tax system less fair.[10]

Nonprofit Property

Louisiana exempts a wide range of nonprofit property from taxation:[11]

- Property owned by nonprofits "organized and operated exclusively for religious, dedicated places of burial, charitable, health, welfare, fraternal, or educational purposes."
- Property leased to a nonprofit as housing for the homeless.
- Property of a "bona fide labor organization" engaged in collective bargaining.
- Property of lodges or clubs "organized for charitable and fraternal purposes and practicing the same."
- Property of a nonprofit corporation "devoted to promoting trade, travel, and commerce."
- Property of a nonprofit trade, business, industry or professional society or association.
- Property used "for cultural, Mardi Gras carnival, or civic activities and not operated for profit to the owners."

As the list indicates, the exemptions are generally provided based on the owner's nonprofit ownership status, without requiring that the property be used for an exempt purpose. Most other states require the property be used in accordance with the exempt purpose.[12] Louisiana's constitution prohibits an exemption only if the property is "owned, operated, leased, or used for commercial purposes unrelated to the exempt purposes of the corporation or association."[13] Courts have interpreted the provision as exempting property used for an array of ancillary commercial uses. Examples include rental apartments or retail space with a basic tie to the organization's mission, and property that is idle.[14] Having some unrelated business income from the commercial property may not disturb the tax exemption for the entire property, although this point continues to be litigated in the case of the exemption for the hotel serving the National World War II Museum.[15] In addition, a nonprofit owner does not need a federal tax exemption; it is sufficient to remain in good standing as a Louisiana nonprofit corporation. And even that is not required for properties used for cultural, carnival and civic activities. Thus, the absence of a stronger use requirement creates a risk of removing nonprofit-owned property from the tax rolls with little justification.[16]

Nonprofit Property
Property owned by eligible nonprofit organizations

Louisiana Exempts: Property owned by a wide range of nonprofit organizations serving religious, burial, charitable, health, welfare, fraternal, educational and other purposes.

Policy Goals: Support nonprofits in providing public services on behalf of the government or enhancing residents' quality of life.

Risks: Broadly defined exemptions, without a requirement for using the property for an exempt purpose, can remove properties from the tax rolls with little or no justification.

There are, however, important public policy goals that effective nonprofit exemptions can fulfill.

For one, nonprofit organizations can deliver services for the public's welfare, relieving that responsibility from the shoulders of government. Private hospitals are an example. They perform health care services that the government would otherwise have to provide, which frees up resources in the budget for other public services for the community. One scholar characterized nonprofit organizations that relieve government of a burden as a "third party government."[17]

Other nonprofit organizations provide community services and amenities that residents consider important to their quality of life.[18] For example, exemptions may support community, recreation, arts and culture, and social organizations. Louisiana offers an especially broad range, down to Mardi Gras krewes, labor unions and trade promotion organizations.

Finally, the U.S. Constitution provides a basis for protecting religious institutions from tax burdens. Under the First Amendment, as applied to the states through the Fourteenth Amendment, states are prohibited from passing any law that prohibits the free exercise of religion. Under that same amendment, they are also prohibited from making a law "respecting an establishment of religion." All states with property taxes exempt religious organizations, although the degree varies from state to state.[19] Some limit the exemption to places of worship, while others such as Louisiana have a broad exemption for religious property.

As with public property, transparency and accountability are limited for nonprofit exemptions. The Orleans Parish Assessor has an application process for New Orleans nonprofit organizations.[20] But there is not a clear way to support accountability over time.

BGR has called on legislators to tighten the State's legal framework for granting nonprofit property exemptions. These recommendations include spelling out broad parameters for exemptions in the constitution and allowing the Legislature to specifically define them. The framework would, among other things, clarify the expected benefits for the public, limit the scope of nonprofit exempt property, and impose a strict use requirement.

So far, the Legislature and voters have made only limited improvements. Most recent was the 2023 constitutional amendment allowing local government officials to revoke property tax exemptions from nonprofit housing providers that have repeated public health or safety violations.[21] Both the New Orleans and Jefferson Parish councils have exercised this authority to address violations at certain apartment complexes.[22]

Homestead Exemption

Louisiana's homestead exemption provides substantial property tax relief to homeowners. Generally, homeownership helps to stabilize families, build wealth, and support safe, well-maintained neighborhoods, among other benefits.[23] Some tax relief can be justified because property taxes do not consider the owner's income, or ability to pay, so the tax burden can be greater for lower-income homeowners.

However, the exemption constrains the tax base, especially for parishes with large areas of residential property. While rising home values in recent years have blunted some of this impact, the exemption still limits government revenue and shifts the tax burden to renters and businesses.[24] Other research shows similar findings and notes

Homestead Exemption
Owner-occupied homes

Louisiana Exempts: The first $7,500 of assessed value of an owner-occupied home, with enhanced exemptions in certain cases.

Policy Goals: Encourage homeownership, which stabilizes families, builds wealth, and supports safe, strong neighborhoods.

Risks: A large tax base of homes receiving the exemption can limit government revenue and shift the tax burden to renters and businesses.

that the exemption can lead to higher tax rates to maintain baseline revenue.[25]

Louisiana's homestead exemption shields the first $7,500 of the property's assessed value from taxation.[26] Because residential properties are assessed at 10% of market value, the exemption effectively covers the first $75,000 of a home's market value. Voters have enhanced the exemption over the years for disabled veterans and their surviving spouses,[27] as well as the unmarried surviving spouses of military members or first responders who died in the line of duty.[28]

On November 3, 2026, voters approved constitutional amendments to further enhance the homestead exemption. The changes:

- Allow the surviving spouse of a disabled veteran to transfer the homestead exemption one time to a new homestead.[29]
- Allow parishes and municipalities to call an election to permit an additional homestead exemption of $6,000 to $30,000 of assessed value, rising with age, for homeowners age 65 and older who qualify for the special assessment level.[30] The additional exemptions would be on top of the current $7,500. The special assessment level prevents the home's property assessment from increasing. Voters separately approved raising the income eligibility limit for Louisiana's special assessment levels for the elderly, disabled, and certain disabled veterans and members of the military to $150,000, starting in 2028.[31]

BGR did not taken positions on these amendments, but it generally recommends against expanding the homestead exemption and assessment levels. A larger exemption narrows the taxable base and shifts a greater share of the property tax burden to other property owners and renters.

Homeowners must apply to their parish assessor to qualify for the homestead exemption under State law. However, once exemptions are approved, property owners do not have to reapply. They can receive a "permanent" homestead exemption from the assessor. The assessor can revoke the exemption if the homeowner sells the house or otherwise violates the law.[32]

The homestead exemption is relatively transparent as tax exemptions go in Louisiana. Each exemption is recorded on the homeowner's property assessment record. The Tax Commission publishes an annual report with parish-level statistics received from assessors on the number of exemptions and the amount of assessed value they remove from the tax rolls.[33] The Orleans Parish Assessor also reports these figures on its website.[34]

Development Incentives

Louisiana provides three key exemptions for industrial, commercial and other residential development:

- The Industrial Tax Exemption Program (ITEP) covers 80% of new manufacturing buildings, machinery, equipment, or additions to existing plants for five years, renewable for another five years.[35] The Louisiana Board of Commerce and Industry approves the exemption, with non-binding input from a committee of local officials.[36] The governor signs the State contract with the recipient of the exemption.
- Louisiana allows industrial development boards or other economic development agencies to acquire title to development sites and arrange for the developer to make a payment in lieu of taxes (PILOT).[37] The PILOT provides greater certainty compared to variable property taxes and is often set lower than the taxes would be, providing a subsidy to the project. A city or parish government entity may approve these arrangements, entering into a lease agreement with the developer. State approval is usually not required.
- The Restoration Tax Abatement (RTA) Program freezes the pre-renovation assessed value of a commercial, residential rental, or owner-occupied property for five years. It is renewable for another five years.[38] The abatements require approval from the local governing authority (which is the City Council in New Orleans) and the Board of Commerce and Industry. The governor signs the State contract with the recipient of the abatement.

Development Incentives
Industrial, commercial and residential development

Louisiana Exempts: Private industry and developments that enter into an agreement with local government and, in some cases, the State, for a period of time, such as 5, 10 or more years.

Policy Goals: Provide a means of spurring local investment, job creation and area revitalization without a public cash subsidy.

Risks: Without a clear strategy, criteria or safeguards, the incentives can be unnecessary or oversized, and unfair to other taxpayers.

Development incentives provide local governments with a means of spurring private business or area redevelopment. It's a temporary fiscal tradeoff: Local governments give up some current revenue in the hope of inducing investment, employment, redevelopment and future tax-base growth. If the investment would not occur otherwise, the community can enjoy multiple benefits, such as increased income and economic activity, increased tax revenues and area revitalization.

Effective local policies for evaluating, awarding and monitoring incentives are important to make sure incentives deliver on their promises.[39] But Louisiana law gives State and local officials broad discretion in awarding property tax incentives for business and development. Its courts have broadly construed economic development as a public purpose. Often, local policies lack sufficient emphasis on strategic decision making and safeguards to support efficient, effective, and accountable public subsidies. BGR has also found that policies often lack mechanisms for evaluating results, including whether the project achieved the promised jobs and investment. Without careful review, before and after an incentive award, the officials, eager to court new investment, risk awarding subsidies that are unnecessary and unfair to other taxpayers.

The Challenges of Exemption Reform in Louisiana

Three decades of efforts by BGR, concerned legislators, and others to call attention to the risks and impacts of exemptions have helped improve some local policies and assessor practices, but the core framework remains firmly set in Louisiana law. Public reporting and accountability also remain weak.

Constitutional Protection

In Louisiana, property tax exemptions are not just broadly structured; all of them are established in the State constitution.[40] This means it takes a vote of the people, after a two-thirds vote of the Louisiana State Legislature, to change them. Constitutional protection has been Louisiana's historical approach since the 19th century.[41] It makes exemptions mandatory, while also preventing the Legislature from creating others without voter approval. Louisiana's constitutional protections are some of the strongest in the country.[42]

The constitution provides reliability and predictability to the governments, nonprofit organizations, homeowners and businesses that receive the benefits of the exemptions. When the question of transferring exemptions to legislative control arose at the 1973 constitutional convention, one delegate arguing against the idea did not believe the people would want "to take these things from the warmth and safety of the constitution, and subject them to the welt wool of the legislature to change by two-thirds vote."[43]

But exemptions are rarely evaluated once they are approved. Exempt property owners are not required to demonstrate the benefits they create, or whether they are commensurate with the tax relief. Even the costs of the exemptions are unknown statewide. Getting to those figures would require the cooperation of Louisiana's 64 parish assessors.

Occasional legislative attempts at reform have produced limited changes. The most recent attempt drew opposition from some exempt owners

and went down in defeat as a part of State Constitutional Amendment No. 2 on March 29, 2025.[44] A news report described the chances of a second attempt at property tax exemption reform as "dead and buried."[45]

Why Managing Exemption Risks and Impacts Still Matters

To recap, the four main exemptions have public policy goals that are hard to categorically disagree with:

- ***Public Property.*** Governments at the local, state and federal levels use their land and buildings to deliver services to the public.
- ***Nonprofit Property.*** Exemptions for nonprofit organizations help support private hospitals, educational institutions and other charitable endeavors that relieve burdens that otherwise would fall on government. They also help protect religious freedom and support nonprofit organizations that enhance the quality of life.
- ***Homestead Exemption.*** The homestead exemption reduces the cost of homeownership and supports neighborhood stability.
- ***Development Incentives.*** Carefully crafted tax breaks for businesses and developers can attract new investment and jobs to communities.

Despite their potential benefits, property tax exemptions also create risks and impacts of two kinds: fiscal pressures on government and shifts in the tax burden. The risks and impacts are most acute where property taxes are the primary means of funding local government services and infrastructure, such as in New Orleans.

Finding Revenue to Meet Pressing Needs. Revenue constraints hamper the delivery of the public services and infrastructure that residents and businesses want. Cities that fail to deliver risk having their residents move elsewhere. New Orleans' recent budget crisis and population loss have sharpened the focus of residents and their elected officials on these issues.

Improving the Distribution of the Tax Burden. Taxes are generally fairest when they are levied at low rates across a broad base of taxpayers. When a large share of property is exempt, local governments must rely more heavily on the remaining taxable property owners for revenue. This effect can increase tax rates and shift costs in ways that are harder for residents and businesses to see.

For example, economic studies show exemptions push tax burdens on to renters. While they are not directly liable for property taxes, their landlords recoup much of the cost of the property taxes on their rental housing through their lease payments. Most studies show renters bear at least 60% of that cost, and this share may approach 100% over time as leases renew.[46] When exemptions are expanded, such as a broad increase in the homestead exemption that affects many thousands of homes, local governments may respond by raising rates on the smaller base of taxable property. Research suggests that, when all rental properties in a community experience a similar tax increase, most or all of that cost will ultimately be passed on to renters.[47] This could worsen housing affordability problems in New Orleans and other parishes.

And exemptions generally suffer from a lack of public transparency. There are no statewide reports or databases of exempt property. Louisiana's 64 parish assessors vary widely in how they appraise, record and report information on exempt property, other than homestead exemptions, which appear on the tax rolls. Louisiana law requires assessors to provide an initial valuation of exempt property, but it is silent on when and how frequently exempt property should be revalued.[48] Assessors often view revaluation of exempt property as a low priority because it does not generate any taxes.[49] The Louisiana Tax Commission has no authority over exemptions, unlike its ability to hear appeals of taxpayers' property assessments.[50] When an assessor denies a tax exemption, the property owner's recourse is to file a lawsuit because it is a question of interpreting the constitution.

What BGR Has Recommended

Since discovering the outsized 65% exempt portion of New Orleans' real estate assessed value in 1996, BGR has recommended a range of reforms:

- ***Constitutional changes*** to limit or clarify the scope of exemptions, subject them to local option votes, or grant authority to the Legislature to define the parameters for exemptions.[51] A general aim of this approach is to align exemptions more clearly with activities yielding significant public benefits.[52] One example is requiring nonprofit-owned property to be directly and exclusively used for exempt purposes that may be further defined by law.
- ***Local policies*** that can mitigate potential risks and impacts, such as economic development policies that carefully vet tax break requests and seek commensurate public benefits for job creation or area redevelopment.[53] BGR recommends that a governmental body awarding the tax breaks to private businesses or developers should make well-supported findings that the exemption is strategic, necessary, efficient, effective and fair.[54]
- ***Revenue-raising mechanisms***, such as the parcel fees that the City of New Orleans (City) is now considering, if they are fair, transparent, and accountable and have a clear, prioritized spending plan. If carefully implemented, this approach can distribute costs more fairly among those who benefit from public systems. BGR has focused its research primarily on stormwater fees[55] and transportation utility fees.[56] BGR has studied other options, such as voluntary payments by nonprofit organizations, but found broad-based service charges, applied to all property owners, as promising the most effective and fair solution.[57] BGR has found, however, that such fees have not been implemented at the parish level in Louisiana, and State laws may need to be modernized. In its January 2026 report on drainage funding, BGR notes that current law on stormwater fees offers little guidance on developing a funding proposal, obtaining community input, creating a fair structure, setting performance standards or oversight, or collecting, managing and distributing the fee revenue once approved.[58]
- ***Public reporting and accountability*** that emphasize the role of parish assessors in administering exemptions. BGR has urged them to strictly interpret exemption criteria and require owners to demonstrate eligibility, conduct regular inspections of exempt property, classify exemptions in a manner that corresponds to their eligibility in the constitution, and enhance public access to online exemption records and valuations.[59] BGR also recommends that assessors revalue exempt properties as frequently as taxable properties so that taxpayers and public officials can evaluate the cost and value of exemptions and their effect on local revenue. For exemptions justified by expected public benefits, particularly nonprofit exemptions and development incentives, BGR urges reporting on expected and actual benefits – what taxpayers get in exchange for taking on a greater share of the revenue burden.

BGR has also generally discouraged creating more exemptions or expanding existing ones. New tax relief proposals should clearly assess the extent of taxpayer need and match it to a precise solution that is strategic, fair and effective.

Key Takeaway: Louisiana's constitutional protection of property tax exemptions makes broad reform politically and legally difficult, even when exemptions create fiscal pressure, shift tax burdens and lack clear accountability. That reality makes practical risk management especially important. Policymakers should:

- Avoid expanding exemptions without clear evidence of need and public benefit
- Strengthen assessor reporting and valuation practices
- Support stronger local standards for discretionary tax breaks
- Consider a fair, transparent and accountable parcel fee that allows exempt property to help support the public services and infrastructure it uses

Questions You Can Ask About Tax Exemption Proposals

Ultimately, voters are in control of tax exemptions, and they should demand greater accountability for current and proposed exemptions. Key questions to ask legislators and parish and city officials when they make exemption proposals include:

- What problem is the proposal trying to solve? What evidence do you have?
- Who will stand to benefit from the proposal, and by how much?
- Who will not benefit, and how might this proposal increase the tax burden on them?
- How would the proposal potentially reduce local government funding for services and infrastructure?
- Is there a better alternative to the proposal? What options have you studied?
- How will I be able to track the future benefits and costs?

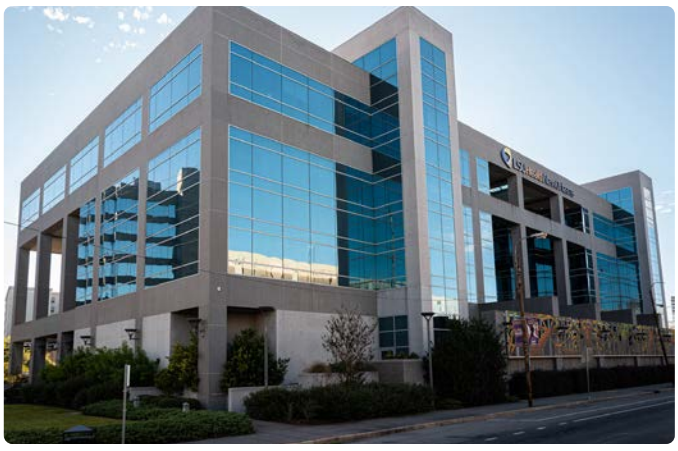
Analysis of Tax Exemptions in New Orleans

Facing the difficulties of constitutional exemption reform in Louisiana, the New Orleans assessor and City officials have focused their attention where they have greater control: local policies, revenue-raising mechanisms, and public reporting and accountability. In the remainder of this report, BGR presents a case study of New Orleans' tax exemptions to provide current context for those decisions. It begins with an overview of the exemption landscape, followed by more specific findings about the major types of exemptions.

BGR gathered 2025 data on homestead exemptions and other exempt property prepared by the Orleans Parish Assessor's office, with historical and regional information added for context. Except for the section comparing New Orleans to other parishes, BGR focuses its analysis of the scope







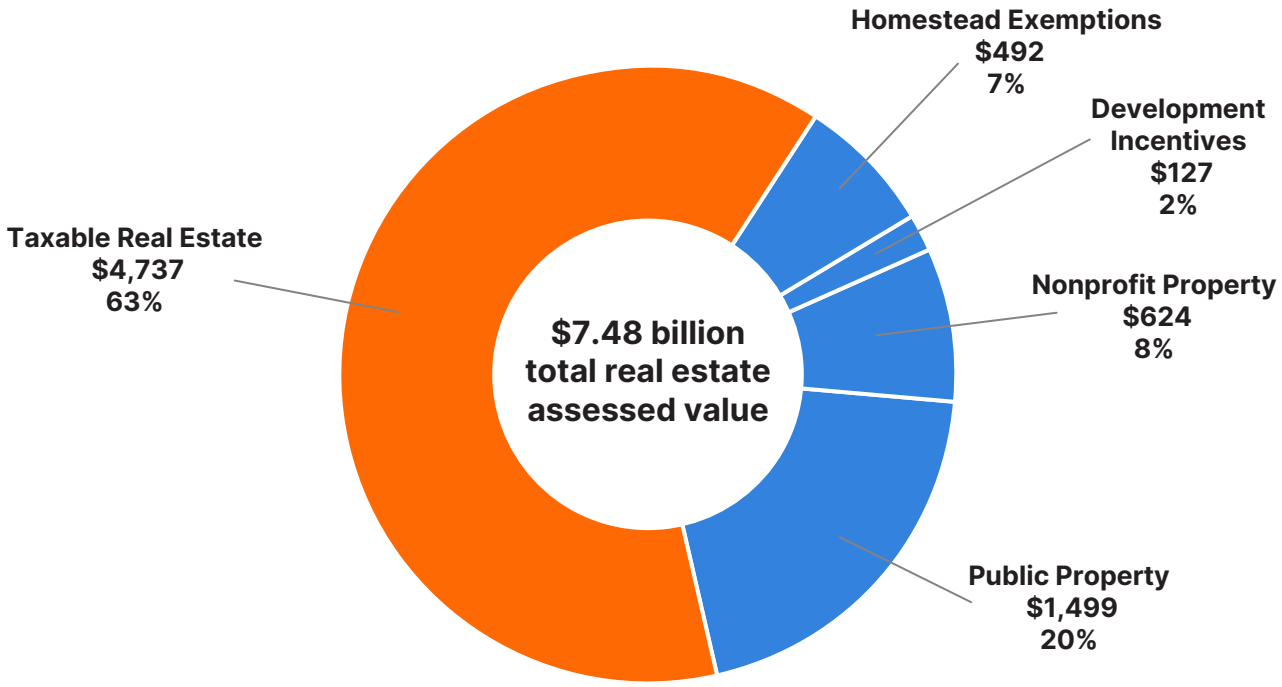


and impacts of exemptions on the city's real estate assessed value (excluding business personal property and public service property). Real estate accounts for 85% of New Orleans' property tax base, and it is the market that homeowners, renters, and landlords know best.[60] It also allows comparisons to previous BGR research to reveal long-term trends. See Appendix A for an explanation of BGR's methodology.

How Much Real Estate Assessed Value Is Exempt?

As shown in Chart C, BGR found $2.74 billion of exempt real estate assessed value in New Orleans, or 37% of the total value in 2025. Public property, the array of local, state and federally owned land and facilities, accounts for the majority of the exempt property. Nonprofit and homestead-exempt property also represent significant shares, followed by development incentives.

Chart C. New Orleans' Taxable and Tax-Exempt Real Estate Assessed Value in 2025
($ figures in millions, exempt property shaded in blue)



BGR analysis of the 2025 exempt roll provided by the Orleans Parish Assessor's Office and the Louisiana Tax Commission 2025 Annual Report. BGR excludes personal property and public service property from the real estate calculation.

BGR's $2.74 billion exempt total is about $721 million less than what the Orleans Parish Assessor publicly reported in 2025.[61] BGR's count excludes two parcels on the Industrial Canal attributed to the Port of New Orleans. BGR found unrealistic measurements and assessed valuations on both parcels. One parcel, valued at $347.2 million, was 1 square foot in size. The other, valued at $374.2 million, was listed at an area of 1.76 billion square feet – roughly four times the size of New Orleans' West Bank.[62] Including them would inflate exempt real estate to $3.46 billion, or 42% of total real estate assessed value citywide. Port of New Orleans staff also could not identify these parcels in the port's real estate holdings.

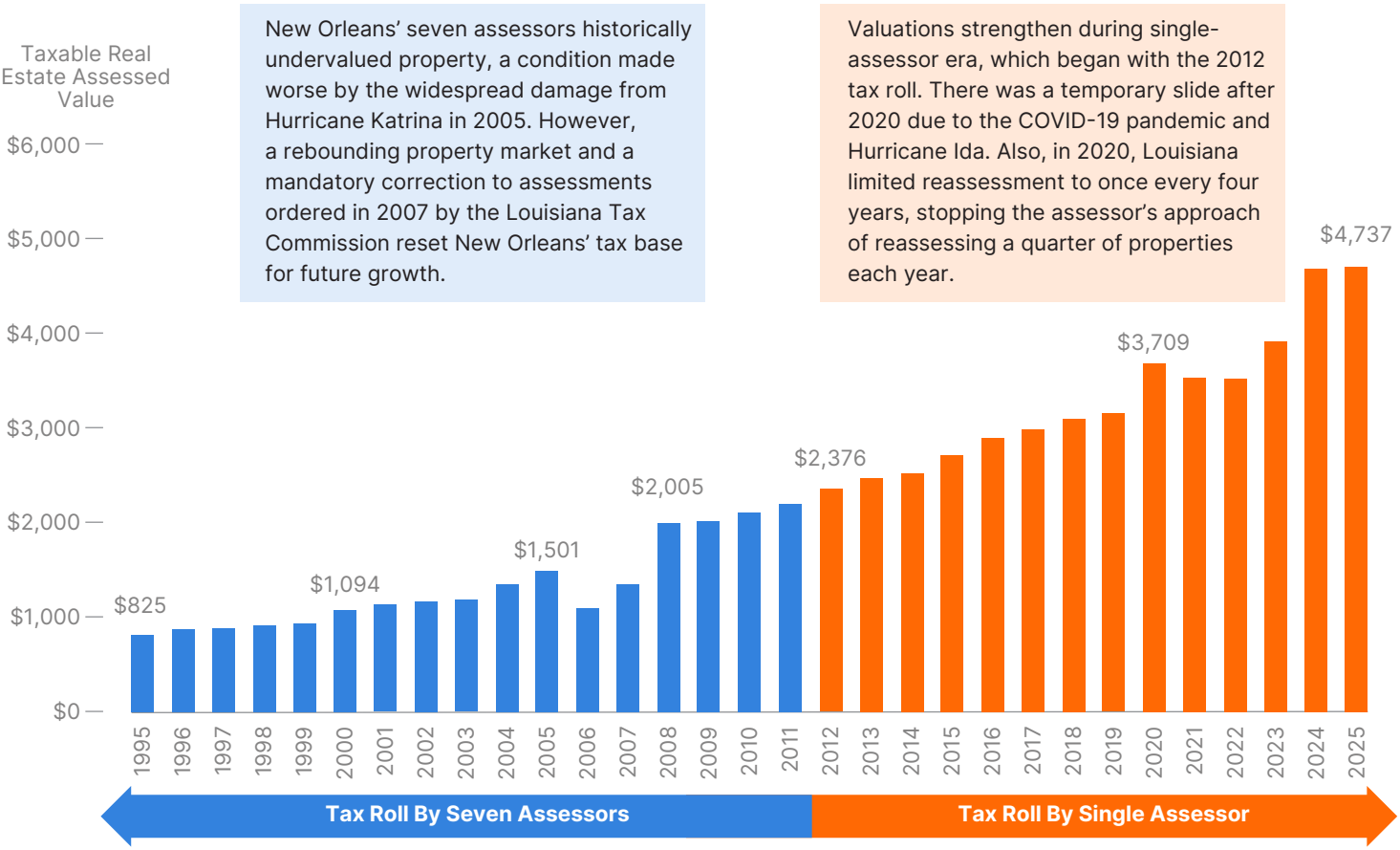
BGR identified the errors in 2021 and brought them to the attention of the assessor. The assessor acknowledged an error in the office's geographic information system (GIS) measurement for these properties but said a new survey of these properties would be needed. No surveys appeared to have been done, and the errors remained in the 2025 exempt roll.

In researching this report, BGR reiterated the problem to the assessor, and both parcels have now been adjusted prospectively for the 2027 roll. The parcel with an assessed value of $374.2 million has been changed to $18.8 million, with a new measurement of 331.9 acres consisting of the west bank of the Industrial Canal, owned by the Port.[63] The parcel with an assessed value of $347.2 million has been adjusted to $16.9 million, with a new measurement of 298.6 acres consisting of the east bank of the canal, also owned by the Port.[64] Because past valuations for the parcels were not changed, BGR continues to exclude both parcels from its analysis of 2025 and prior years.

The corrections are consistent with the efforts of the citywide assessor to improve the overall accuracy of New Orleans' taxable and exempt rolls in the past 15 years. As BGR found in its 2019 report, *Assessing the Assessor*, the Orleans Parish Assessor has adopted a number of recommended practices, including strict interpretations of exemption criteria, regular inspections of exempt properties, and increased public information sharing about taxable and exempt properties, especially through the assessor's website.[65] The office now provides the public with a current, searchable database of exempt property, with a mapping tool. BGR's 2019 report urged continued efforts to revalue exempt property, which the 2025 data appear to support.

The quality of taxable real estate assessments has also improved since 2011 with more sophisticated data collection, property mapping, and professional appraisals. *Assessing the Assessor* recommended additional ways to improve accuracy and uniformity. New Orleans has kept up steady growth in its tax base, except for dips following Hurricane Katrina in 2005, the onset of the COVID-19 pandemic in 2020, and Hurricane Ida in 2021, as shown in Chart D.[66]

Chart D. Assessed Value of Taxable Real Estate in New Orleans, 1995-2025 Tax Years
($ figures in millions)



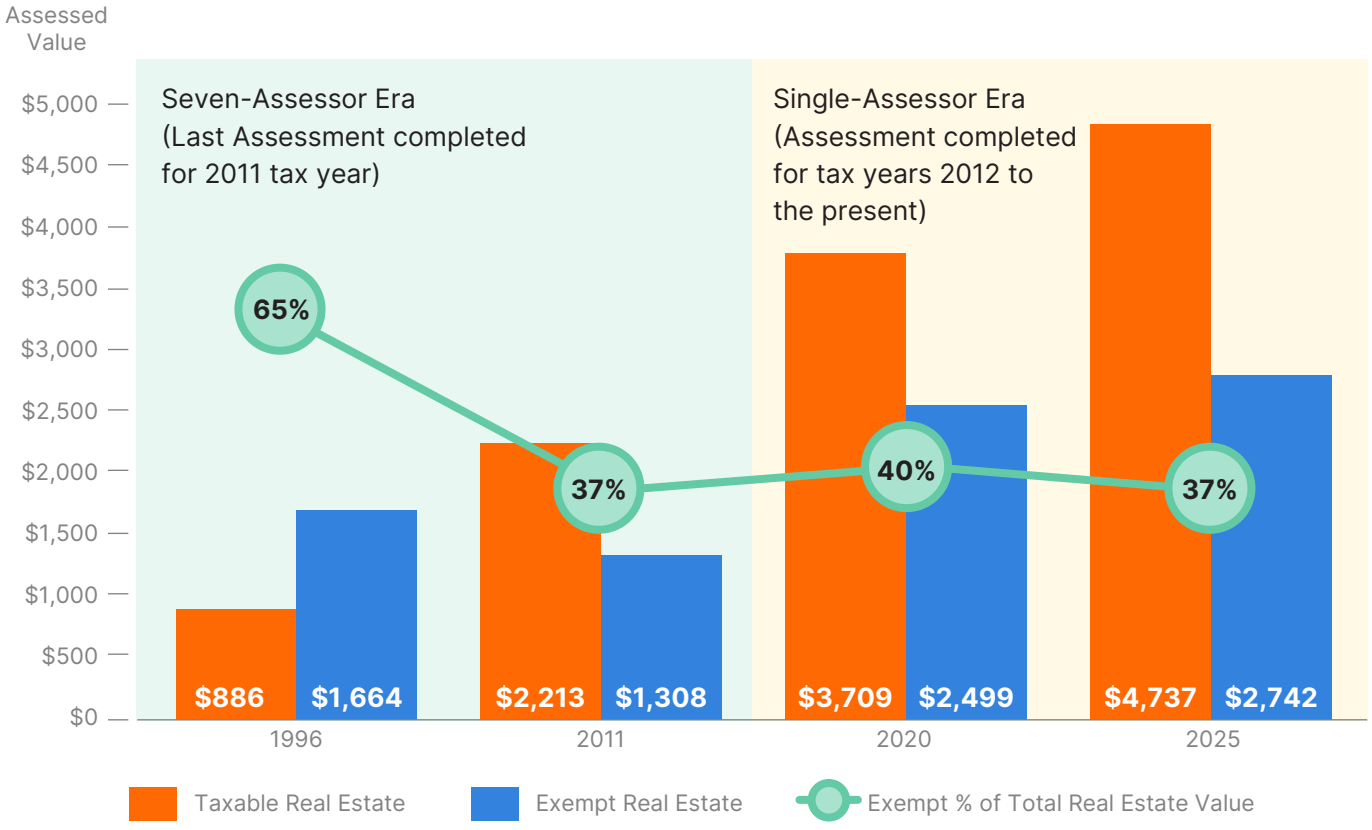
BGR analysis of Orleans Parish data from the Louisiana Tax Commission's Annual and Biennial Reports, 1995 to 2025. BGR excludes personal property and public service property from this real estate-based calculation.

The growth in taxable property value has caused a huge swing in the share of exempt assessed value from 65% in 1996 to 37% in 2025.[67] Chart E provides those figures as well as two other years BGR researched – the 2011 tax roll, which was the last prepared by the seven assessors,[68] and the 2020 tax roll, which was completed before the onset of the COVID-19 pandemic.[69] BGR removed the two erroneous Industrial Canal properties from all the years where they appeared in the exempt roll.

Since taking office in 2011, the single assessor has revalued exempt real estate, more than doubling it from $1.31 billion to $2.74 billion.[70] It has roughly kept pace with the 114% increase in taxable real estate assessed value during the same period.[71] See Appendix B for more historical insights.

Key Takeaway: The citywide assessor has made substantial progress in improving the accuracy of tax assessments and the exempt roll, and the assessor has corrected two large errors that BGR found on the roll. Removing those errors shows that tax-exempt values have kept a close pace with the appreciation in taxable real estate since 2011.

Chart E. New Orleans Taxable and Exempt Real Estate Assessed Value Since 1996
($ figures in millions)



BGR analysis of data from the Orleans Parish Assessor's Office and the Louisiana Tax Commission. Reasons for the drop in the assessed value of exempt real estate from 1996 to 2011 remain unclear. Appendix B shows that the decline occurred across most types of exempt real estate.

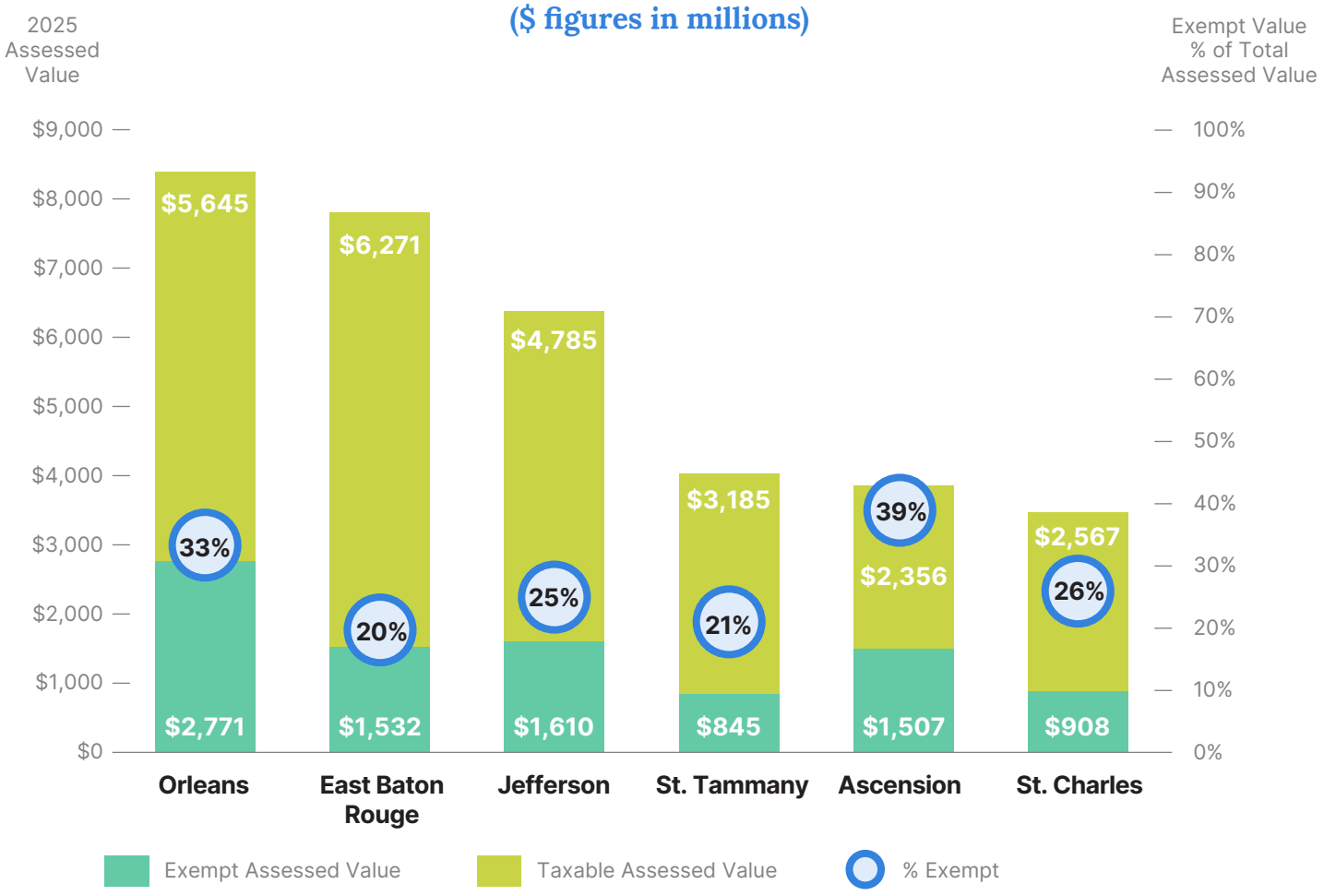
We Are Not Alone – How New Orleans Compares

Wait, 37% or 33%? A Word on Comparing Orleans to Other Parishes. While BGR's research on New Orleans generally focuses on tax-exempt real estate, BGR uses the entire tax base (including business personal property and public service property) to get an apples-to-apples comparison to other Louisiana parishes. Using the entire tax base is necessary because some parishes have large amounts of industrial machinery classified as personal property, or large electrical power plants or transportation sites that fall under public service property. The Industrial Tax Exemption Program removes substantial personal property in those parishes from the tax base.

New Orleans' exempt property represents 33% of its entire property tax base. The figure is less than the 37% exempt real estate because New Orleans has valuable personal property, such as hotel furnishings and fixtures, that is taxable, but limited industrial property that could qualify for an exemption.

How Other Large Southeast Louisiana Parishes Compare. New Orleans has the second-highest percentage of exempt property among selected parishes in Southeast Louisiana with large tax bases (over $3 billion assessed value) and exempt property rolls. Ascension Parish, which has experienced new industrial investment subject to ITEP, has 39% exempt. The other parishes are not far behind, as shown by the percentages in Chart F.

Chart F. Percentages of Tax-Exempt Property in Six Southeast Louisiana Parishes, Based on Total Assessed Value for 2025 Tax Year
($ figures in millions)



BGR calculations based on data provided by parish assessor offices. BGR selected parishes in Southeast Louisiana with at least $3 billion of 2025 assessed value. BGR uses the entire tax base (including business personal property and public service property) to get an apples-to-apples comparison between Orleans and other Louisiana parishes.

The composition of exempt property varies from parish to parish. In New Orleans, most of its exempt assessed value consists of property other than exempt homesteads. This owes to its concentration of public facilities, colleges and universities, hospitals and other large institutions, which have a much higher value per parcel than the $7,500 homestead exemption.

However, because Louisiana offers some form of tax exemption for every major class of property in a typical community – residential, commercial, industrial and institutional – other parishes also have sizable overall percentages of exempt property. Ascension, St. Charles, and East Baton Rouge have large concentrations of industrial exempt property, although East Baton Rouge has a larger and more diverse tax base to absorb that impact. St. Tammany has relatively little industrial property; most of its exempt value comes from the homestead exemption. Jefferson, East Baton Rouge, and St. Tammany also have large concentrations of institutional property. Table 1 shows the breakdown of each parish's exempt assessed value.

Table 1. Comparing the 2025 Exempt Property of Large Southeast Louisiana Parishes
($ figures in millions)

	Orleans	East Baton Rouge	Jefferson	St. Tammany	Ascension	St. Charles
Taxable Assessed Value 2025	**$5,645.2**	**$6,270.5**	**$4,785.3**	**$3,184.5**	**$2,356.0**	**$2,566.7**
Exempt Assessed Value	**$2,771.4**	**$1,532.1**	**$1,609.9**	**$844.9**	**$1,506.9**	**$908.3**
Homestead Exempt	$491.9	$719.7	$736.8	$515.6	$275.1	$106.2
Exempt Portions of Other Taxable Property (primarily ITEP and other development incentives)	$156.8	$301.5	$56.4	$16.0	$1,119.2	$686.4
Other Exempt (primarily public and nonprofit)	$2,122.8	$510.9	$816.8	$313.3	$112.6	$115.8
Total Assessed Value	**$8,416.6**	**$7,802.6**	**$6,395.2**	**$4,029.4**	**$3,863.0**	**$3,475.0**
Exempt %	**33%**	**20%**	**25%**	**21%**	**39%**	**26%**

BGR analysis of taxable and exempt assessed property value for the 2025 tax year based on annual grand recap and other reports compiled by parish assessors. BGR uses the entire tax base (including business personal property and public service property) to get an apples-to-apples comparison between Orleans and other Louisiana parishes. Numbers may not add up due to rounding.

While BGR compares these parishes' exempt property at a high level, it could not develop a fuller analysis. Each assessor's grand recap, the annual statement of taxable and exempt property that each assessor submits to the Louisiana Tax Commission, varies in its format and level of detail. For example, some assessors report public and nonprofit exemptions by property description, which would require further analysis to determine which properties belong to each type. In St. Tammany, the assessor's office recently produced valuations of exempt property, other than homesteads, after completing a decade-long project to map all property, including exempt property.

There is significant opportunity to improve public information on exempt property. While homestead exemptions reflect a portion of a home's assessed value based on the assessor's application of standard appraisal methods, there is no standard guidance for valuing other exempt property. Filling that gap for parish assessors is a necessary

first step to provide accurate, useful information on the value of exempt property to the public and policymakers. Parish assessors could collaboratively develop consistent statewide guidance for valuing exempt property. They could, for example, call for individual valuations of the most significant exempt properties in a parish and provide cost-effective, but sound, methods for estimating the rest. The use of estimates can provide reasonably accurate public information, while controlling the cost of valuing smaller exempt properties. Limiting the budget impact of this new work is important to preserve the financial resources of assessors' offices for accurate taxable assessments, on which local public services and infrastructure depend.

Other Cities with Concentrations of Exempt Property. National comparisons are harder to make because comprehensive city-level data on tax-exempt property is not readily available, and the quality of exemption data varies widely from place to place. Academic literature has found the strongest concentrations of tax-exempt property in cities with a large, historical presence of government operations, colleges and universities, and nonprofit institutions. New Orleans is one of those cities; other examples are Boston, Philadelphia, Baltimore, New York City, and New Haven, Connecticut. Each has a different mix of exemptions, and available studies and reports are limited. Of those examples, a 2025 report noted that 57% of real estate value in New Haven, home of Yale University, is tax-exempt.[72] A 2018 study found that 35% of Boston's real estate value is tax-exempt, breaking down as 20% private property and 15% public property.[73] A 2012 report put Baltimore's overall percentage at 30%.[74]

A closer look at nonprofit property further shows how New Orleans stands out nationally. At 8% of total real estate assessed value, New Orleans' 2025 concentration of nonprofit-owned property is twice the median of 4% found in a comparison of 23 large cities.[75]

New Orleans' inability to expand its geographic boundaries and add new taxable land keeps its percentage of tax-exempt real estate high. Exempt parcels cover a significant portion of New Orleans' developed land area. BGR estimates that exempt real estate comprises about 13,000 acres, or 22% of New Orleans' approximately 60,000 acres of developed land area.[76] This highlights the potential effectiveness of a parcel fee. The city cannot expand geographically because it is bordered by adjacent parishes, Lake Pontchartrain and the Mississippi River, and the Bayou Sauvage National Wildlife Refuge and marshland to the east.

Key Takeaway: New Orleans' high concentration of tax-exempt property is not unique. Other large Southeast Louisiana parishes also have substantial exempt shares, reflecting the breadth of Louisiana's property tax exemptions across residential, industrial, commercial and institutional property. Nationally, New Orleans resembles other urban core cities with concentrations of government, health care, higher education and nonprofit institutions. BGR estimates that exempt real estate covers 22% of New Orleans' developed land area. This highlights the potential effectiveness of a parcel fee, as New Orleans' inability to expand its geography makes fiscal and fairness pressures more pronounced.

Evaluating Fiscal Benefits and Costs of Exempt Property

Further Study Needed for Public Benefits. BGR recognizes that exempt properties can provide a range of public benefits. Some of those benefits relieve fiscal burdens that otherwise would fall on government and taxpayers, such as health care or education. Other benefits are less tangible, such as the support offered to struggling residents or the enhancement of culture and quality of life.

BGR could not identify a broad-based, comprehensive study of the fiscal benefits of tax-exempt real estate. Preparing such a study is beyond the scope of BGR's report, but it is a worthy project to more fully inform the public and policymakers. The study should be based on measures of economic and community impact, such as:

- Government expenditures avoided through nonprofit services
- Charity care and uncompensated health services

- Scholarships and educational services
- Employment and local purchasing
- Affordable housing units supported
- Public access to facilities or programs
- Direct payments, service charges, and other contributions

To illustrate these concepts, BGR presents a summary of information received from two large local nonprofit organizations on their economic and fiscal impacts and other community benefits for New Orleans. BGR presents a summary of the information as a starting point for evaluating the benefits the public receives in exchange for their tax exemptions.

Tulane University. In 2023, Tulane University estimated an annual economic impact on New Orleans of $2.3 billion, supporting 17,260 jobs directly and indirectly. The economic impact includes salaries, benefits, and purchases for its annual operations, capital investments, ancillary spending of students, patients and visitors, and the wage premium earned by its graduates.[77] Tulane also brings in more than $200 million annually in competitive research awards from outside Louisiana. The university estimates its operations generate $88.1 million annually in state tax revenue, while the ancillary spending creates sales and hotel tax revenues for the City.

The university has also studied how it relieves local government burdens, a key justification for nonprofit tax exemptions. For this relief, it points to its off-campus downtown law enforcement presence, stormwater retention projects, self-generated electrical power during storms, charity and uncompensated health care and free health clinics, pro bono legal clinics, and its students' own community service, among other things.

Tulane plans to update its economic impact assessment in 2027. According to the university, the upcoming study will measure new milestones, including:

- The formal clinical and academic expansion under the Tulane-LCMC Health partnership.
- Growth across Tulane's research enterprise.
- Catalytic downtown New Orleans investments, anchored by the redevelopment and revitalization of historic Charity Hospital.

Ochsner Health. Drawing from its 2025 report on community benefits across the communities it serves, Ochsner Health quantified a range of benefits for Orleans Parish:[78]

- $28.5 million in charity care and uncompensated health services, plus $3.5 million in financial assistance to patients.
- $3 million in scholarships for nurses and allied health professionals (2021-2025).
- 5,680 Orleans Parish employees, earning $488.4 million in salaries, wages and benefits.
- $966.1 million in operating expenditures in Orleans, including $140.7 million paid to 336 Orleans-based vendors.
- $53.1 million in Orleans capital projects in 2025, bringing the total to $152.3 million from 2021 through 2025. This includes investments in the Ochsner Delgado School of Nursing and Allied Health and the Xavier Ochsner College of Medicine.
- $6.3 million in direct local sales taxes and property taxes (paid through its leased facilities) in 2025, and $2.8 million in community support, such as partnerships with nonprofit organizations addressing social drivers of health.

Ochsner plans to release an economic impact study of its Orleans Parish operations in the coming months. It also anticipates a $152.5 million annual economic impact on Louisiana by 2040 from its Xavier Ochsner College of Medicine, which will be located at Benson Tower in downtown New Orleans.[79]

Tulane and Ochsner are financial supporters of BGR. In preparing this report, BGR followed its internal policies that safeguard the independence and integrity of its research. BGR did not solicit or receive editorial input from Tulane and Ochsner beyond obtaining the information above and verifying exempt property they own.

The above examples of Tulane and Ochsner

highlight how a benefits assessment can get started with community-focused data. BGR also contacted LCMC, a major nonprofit health care organization based in New Orleans. It provided a general statement emphasizing how its Orleans Parish network of hospitals, clinics and other health care facilities "support healthier communities and help ensure people have access to the care they need." These types of community health benefits can be explored as part of an impact analysis.

Once sufficient economic and community impact data are gathered, they can be independently reviewed. Estimates of fiscal impacts – the new income, taxes or cost savings for government and taxpayers – can be independently developed. The fiscal benefits can then be aggregated and compared to fiscal costs. A community should not just break even, but have a sizeable net benefit for the public. This is important because of uncertainty inherent in making estimates of fiscal impacts.

Costs to Local Government and Taxpayers. Property tax exemptions have two types of fiscal impacts: revenue that governments do not receive and tax-rate reductions that taxpayers could otherwise experience. Clear estimates of fiscal impacts should be developed for any proposal to expand or contract tax exemptions. And estimates should take into consideration impacts on different groups of residents and businesses, as well as exempt owners. For example, an increase in the homestead exemption helps homeowners but shifts the burden of funding local government to other residents and businesses. From another perspective, eliminating the homestead exemption in favor of a millage reduction would make property taxes less affordable for homeowners with homes valued at less than $1 million.[80] A reduction of exemptions for nonprofits could impact their ability to provide services.

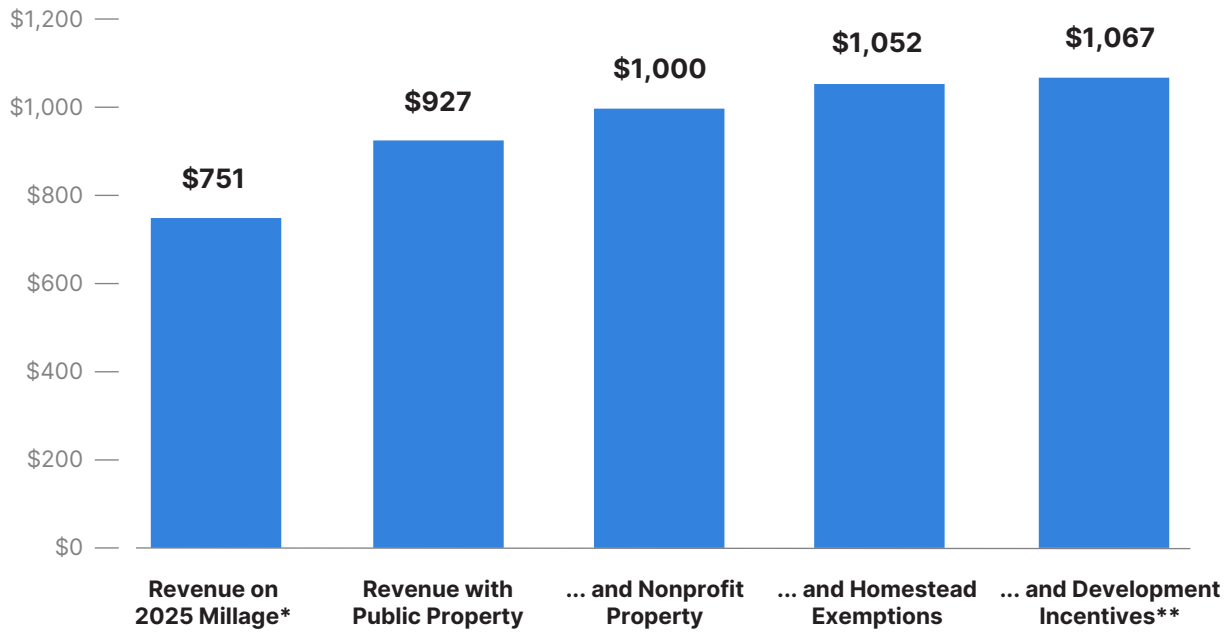
With these caveats in mind, BGR provides the following preliminary financial estimates of what the full slate of New Orleans' tax-exempt real estate means for local government officials and taxpayers. They do not account for changes in economic behavior, collection limitations, offsetting governmental costs or reduced nonprofit services that might occur if taxes were imposed. The intent is to express the current $2.74 billion of exempt assessed value in more familiar terms, rather than to suggest that every exempt property should be taxed.

To illustrate, if there were no exemptions from real estate property tax and the 2025 millage rates stayed the same, local governments in New Orleans would have received approximately $316 million more annual revenue – a 42% increase over local property tax revenue in 2025.[81]

Public property represents $176 million, or 56% of the potential revenue impact. Nonprofit property and homestead-exempt property account for $73 million and $52 million, respectively, while development incentives represent $15 million. Chart G shows how each major type of exemption contributes to the overall revenue impact based on 2025 millage rates.



Chart G. Estimated Orleans Parish Property Tax Revenue if Exempt Real Estate Were Taxable in 2025, With Tax Rates Held Constant
($ figures in millions)



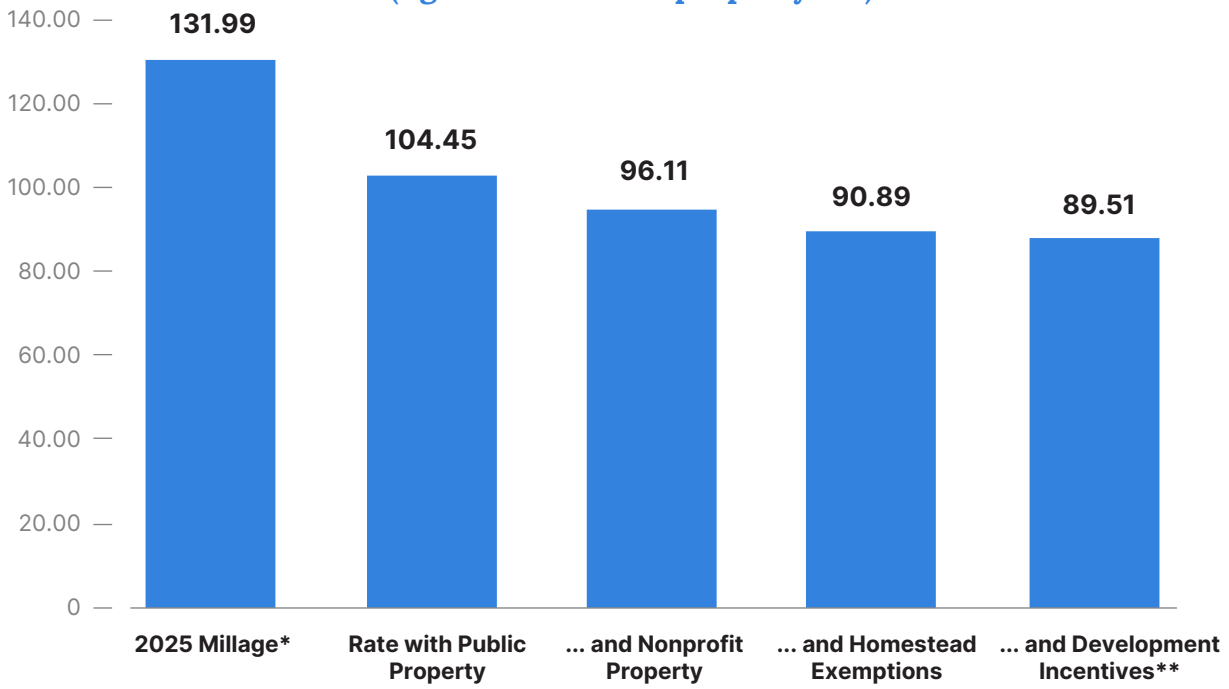
* BGR analysis using 2025 East Bank millage rate of 131.99 mills as the basis for the parishwide calculation. The West Bank rate was only slightly higher at 132.01 mills. Revenue for the Board of Liquidation, City Debt, would not increase because it is set based on annual City debt service costs.

** These include the combined effect of the Industrial Tax Exemption Program, payments in lieu of taxes, and Restoration Tax Abatements. No adjustments are made for PILOT lease payments, which partially offset forgone taxes today, but the impact would be minimal.

Alternatively, if there were no property tax exemptions and annual revenue remained constant, the overall millage rate on the East Bank of Orleans Parish could have been 32% lower in 2025. The cumulative reduction, as shown in Chart H, would have been 42.48 mills, resetting the total Orleans Parish millage rate at just under 90 mills. The decline would provide savings for current taxpayers, while also potentially improving the parish's tax environment to promote business growth.



Chart H. Estimated Orleans Parish Millage Rate if Exempt Real Estate Were Taxable in 2025, With Revenue Held Constant
(figures in mills of property tax)



* BGR analysis using 2025 East Bank millage rate of 131.99 mills as the basis for the parishwide calculation. The West Bank rate was only slightly higher at 132.01 mills. Revenue for the Board of Liquidation, City Debt, would not increase because it is set based on annual City debt service costs.

** These include the combined effect of the Industrial Tax Exemption Program, payments in lieu of taxes, and Restoration Tax Abatements. No adjustments are made for PILOT lease payments, which partially offset forgone taxes today, but the impact would be minimal.

If individual types of exempt property were taxed, taxpayers would see a slightly greater millage rate reduction for each elimination than indicated in the cumulative chart. This is because the expansion in the tax base dilutes the effect of each additional rate reduction. Taxing only nonprofit property would have reduced the millage rate by 13.05 mills (10%), while taxing only homestead-exempt property would have reduced it by 9.65 mills (7%).

Public property, if taxed, would allow a rate reduction of 27.54 mills, but this begins to highlight the limitations of this analysis. Taxation would increase service costs, and New Orleanians, who would benefit from the tax reduction, would be faced with paying those costs. This raises questions about how far, in practical terms, the reduction of tax exemptions could go before any net benefits erode away.

Key Takeaway: Exempt property can provide real public benefits, but New Orleans lacks the comprehensive analysis needed to weigh those benefits against the fiscal costs. BGR's snapshots show the stakes. If all exempt real estate were taxable at 2025 rates, local governments could receive about $316 million more annually. If revenue stayed constant, taxpayers could see the overall millage rate fall by about one-third. These figures are not a call to tax all exempt property, but they underscore the need for clearer fiscal impact estimates and policy analysis before exemptions are expanded, reduced or replaced with other revenue tools.

Changes in the Composition of Tax-Exempt Real Estate

BGR further analyzed the four types of exemptions and provides relevant findings from the 2025 data on New Orleans. Table 2 shows how public property accounted for 55% of exempt real estate assessed value. Major public investments post-Katrina, such as the new downtown hospitals for Louisiana State University (LSU) and the U.S. Department of Veterans Affairs (VA) and new federally funded public schools, helped to drive the increase. Another factor has been the single assessor's updates to valuations of large established properties, such as the New Orleans Ernest N. Morial Convention Center, the Caesars Superdome, and City Park. Nonprofit organizations own 23% of exempt assessed value, followed by exempt homesteads, 18%, and recipients of development incentives, 4%.

Table 2. Assessed Value of New Orleans Exempt Real Estate By Type Since 1996
($ figures in millions)

	Exempt Rolls by the Seven Assessors			Exempt Rolls by the Citywide Assessor			
	1996	2011	Share in 2011	2020	Share in 2020	2025	Share in 2025
Public Property	$713.9	$554.6	42%	$1,301.6	52%	$1,499.0	55%
Nonprofit Property	$501.5	$311.5	24%	$548.3	22%	$623.8	23%
Development Incentives		$69.6	5%	$169.3	7%	$127.3	4%
Homestead Exemption	$448.2	$372.6	28%	$479.3	19%	$491.9	18%
Exempt Real Estate	**$1,663.6**	**$1,308.3**		**$2,498.6**		**$2,741.9**	

BGR analysis of data from the Orleans Parish Assessor's Office and the Louisiana Tax Commission. BGR lacked sufficient information to distinguish development incentives from nonprofit property in 1996. Numbers may not add up due to rounding.

The number of homestead exemptions has remained relatively stable for many years, but significant changes have occurred in the number of other exemptions (public and nonprofit property and development incentives).

As the assessed value of tax-exempt real estate other than homesteads grew, the number of those parcels has decreased by nearly 30% since 2011, falling from 14,566 to 10,307 parcels. About half of the decline occurred during the nine years prior to the pandemic, when the total fell by 2,231 parcels. The decline accelerated from 2020 to 2025, when the total fell by another 2,028 parcels. Table 3 summarizes the changes.

Table 3. Parcels of New Orleans Exempt Real Estate By Type, Other than Homesteads, Since 2011
(Number of parcels)

	Exempt Rolls by the Seven Assessors		Exempt Rolls by the Citywide Assessor			
	2011	Share in 2011	2020	Share in 2020	2025	Share in 2025
Public Property	10,145	70%	7,663	62%	5,834	57%
Nonprofit Property	4,254	29%	4,333	35%	3,954	38%
Development Incentives	167	1%	339	3%	519	5%
Exempt Real Estate, Other Than Homesteads	**14,566**		**12,335**		**10,307**	

BGR analysis of data from the Orleans Parish Assessor's Office and the Louisiana Tax Commission. Numbers may not add due to rounding.

However, the turnover is more significant than these net figures indicate.

In the decade before the pandemic, 4,730 parcels were removed from the exempt roll, while 2,499 were added. The turnover of Katrina-damaged homes acquired by the State's Road Home Corporation drove both figures. The corporation shed 4,306 parcels, almost all of its New Orleans portfolio and accounting for 91% of the total parcels removed from the exempt roll. Two-thirds of the homes returned to private commerce, without a tax exemption. While this shift initially removed less than $30 million from the exempt roll due to the damage impact on their values, it is likely that New Orleans' tax base gained substantially more following their renovation or replacement. The other one-third of Road Home parcels found their way to other exempt owners, mainly the New Orleans Redevelopment Authority (NORA), which has gradually reintroduced them into the real estate market to avoid disrupting neighborhood property values. Altogether, acquisitions of Road Home properties by NORA and other exempt owners accounted for more than 1,400, or 56%, of the 2,499 additions to the exempt roll. Table 4 breaks down the Road Home property shift from 2011 to 2020. Other exempt parcel additions during the period came from a wide range of owners, most notably the Housing Authority of New Orleans (HANO) and PILOT subsidies for its public housing redevelopments post-Katrina.

Table 4. Returning Road Home Properties to the New Orleans Real Estate Market, 2011 to 2020

	Properties Transferred	% of Total
Returned to Private Commerce, No Longer Tax Exempt	**2,899**	**67%**
Now Owned by:		
New Orleans Redevelopment Authority	1,264	
Exempt Nonprofit Owners	120	
Other Exempt Public Owners	23	
Subtotal: Road Home Properties Still Tax Exempt in 2020	**1,407**	**33%**
Total Road Home Properties in 2011	**4,306**	

BGR analysis of data from the Orleans Parish Assessor's Office.

In the past five years, relatively little property – 353 parcels – was added to the exempt roll, with another 2,381 parcels removed. Many of the added parcels were associated with residential apartment developments receiving PILOT subsidies. Continued demand for private property in New Orleans may have encouraged more sales. The New Orleans Redevelopment Authority shed 780 parcels, many of which were former Road Home parcels returned to private commerce. The City, State and HANO unloaded hundreds more, as did charitable and religious nonprofit owners.

See Appendix C for detail on shifts in exempt real estate from 2011 to 2025. In Appendix D, BGR provides images from the Orleans Parish Assessor's online parcel map that show the current location of tax-exempt properties. The map is available with the exempt parcel records at https://www.nolaassessor.com/.

Key Takeaway: New Orleans' exempt real estate has changed not only in size, but also in composition. Public property now accounts for 55% of exempt assessed value, driven by major post-Katrina public investments and updated valuations of large civic assets. Nonprofit property remains a significant share. Development incentives are smaller but growing in parcel count. At the same time, the number of non-homestead exempt parcels has fallen nearly 30% since 2011, largely because many Road Home and other publicly or nonprofit-owned parcels were returned to private commerce. This turnover suggests that better management of exempt property can gradually restore some land to the tax base, even as high-value institutional and public properties continue to dominate the exempt roll.

Largest Owners of Exempt Real Estate

BGR's analysis found that the 10,307 parcels of exempt real estate, other than homesteads, in 2025 rested in the hands of 1,113 unique owners. While many are small nonprofit organizations, several large organizations dominate the ownership of exempt property. BGR takes a closer look at the largest owners of public and nonprofit property. As discussed in Appendix A, BGR's ownership counts and groupings are an approximation based on the exempt rolls, assessor records and other publicly available information to achieve a reasonably accurate analysis. Title searches were not done.

Public Property. BGR found 56 unique owners of the 5,834 parcels of public property in 2025. The federal government, through 13 departments and agencies, is the largest individual owner of exempt real estate by assessed value. More than half of its assessed value relates to the new VA hospital ($155 million). Other major federal properties include multiple buildings in Federal City in Algiers and the U.S. Department of Agriculture's National Finance Center in eastern New Orleans.

The next three largest owners of exempt public real estate, as shown in Table 5, are the Orleans Parish School Board ($218.6 million), the City and its affiliated entities ($194.6 million), and LSU ($186.4 million). Most of LSU's assessed value relates to its hospital ($150.4 million). The School Board's property primarily consists of its administration building in Algiers, dozens of individual school sites, and land held for future school facilities. Although New Orleans provides K-12 public education almost entirely through charter schools, the School Board leases buildings to many of them.

Table 5. Largest Public Owners of Exempt Real Estate By Assessed Value
($ figures in millions)

Owner	2025 Exempt Assessed Value	% of Total	Parcels	Ownership Entities Identified
U.S. Government departments and agencies	$258.7	17%	317	13
Orleans Parish School Board (including PILOTs for certain school facilities)	$218.6	15%	236	2
City of New Orleans (including Sewerage & Water Board and City-owned public benefit corporations)	$194.6	13%	1,551	4
Louisiana State University (LSU)	$186.4	12%	140	1
City Park	$144.9	10%	30	1
All Other Owners of Exempt Public Property	$495.7	33%	3,560	35
Total Exempt Public Property	**$1,499.0**	**100%**	**5,834**	**56**

BGR analysis of 2025 Orleans Parish exempt roll. Numbers may not add up due to rounding.

The City owns a diverse collection of exempt real estate. BGR found 1,551 parcels on the 2025 exempt roll. They consist of:

- 1,406 parcels, of which:
  - 1,077 have no building value, indicating they are parks or other vacant land. One of the largest parcels is Lincoln Beach in eastern New Orleans. The City is currently pursuing redevelopment of the site.
  - The City's improved properties with the highest assessed values include the Juvenile Justice Intervention Center ($6.4 million), City Hall ($5.6 million), and the Joseph M. Bartholomew Sr. Municipal Golf Course ($5.1 million). The City owns a wide range of other facilities, such as police stations, fire stations, courthouses, and recreation centers. The new mayor has initiated multiple task forces to study a potential new City Hall and other opportunities to make more productive use of its real estate portfolio.
- 137 relate to the Sewerage & Water Board's treatment plants, pumping stations and other facilities, to which the City holds title under State law.[82]
- Eight are owned by the City's two largest public benefit corporations, which the City established to manage income-producing real estate.[83] The mayor is the sole shareholder of these corporations. They can distribute net rental income from their operations to the City for general spending.

Nonprofit Property. BGR found 1,012 unique owners of the 3,954 parcels of nonprofit property in 2025. However, the five largest owners held 52% of the exempt real estate assessed value of nonprofit property, or about $327.2 million of the $623.8 million total.

The largest is Tulane University, with $139.4 million in assessed value. More than three-quarters of Tulane's real estate assessed value consists of its Uptown university properties. The balance includes various buildings and land, including its downtown facilities. The total assessed value includes approximately half a million dollars covered by the university's special constitutional exemption.[84]

The second largest nonprofit owner is LCMC, a health care organization that owns Touro Infirmary and Children's Hospital. While the exempt roll separately lists the real estate associated with those two hospitals, BGR combined them under LCMC. Collectively, LCMC's real estate totals $92.3 million in assessed value, or 15% of the total for nonprofit property.

The average $1.2 million assessed value per parcel for LCMC's 78 properties is nearly three times the $447,000 average assessed value for the Orleans Parish properties owned by Ochsner Health. The assessor's office booked a combined assessed value of $4 million for Ochsner's nine exempt properties, including Baptist Hospital.[85] The difference in the assessed valuations of the hospital properties should be reviewed for accuracy by the assessor's office.

The third largest nonprofit owner is the Archdiocese of New Orleans and its apostolates, with $51.9 million in exempt real estate assessed value, or 8% of the total for nonprofit property. BGR identified 41 parcels owned by the Archdiocese of New Orleans with a total assessed valuation of $7.5 million. It identified another 127 parcels assessed at $44.4 million owned by the Archdiocese's apostolates, consisting of church parishes, schools, senior living and health care facilities, cemeteries, and other community service agencies and facilities. While these are legally separate organizations, the Archdiocese or the archbishop directly or indirectly is the sole shareholder, member or partner in each apostolate.[86] Church parish properties, inclusive of church and school buildings, rectories and other facilities, accounted for most of the apostolate property assessment ($33.6 million); BGR classified them as "religious" because in some cases there is one parcel of record. Other significant apostolates included cemeteries ($5.6 million) and senior living and health facilities ($5.2 million). BGR notes that the Archdiocese has sold or agreed to sell a significant portion of its real estate holdings since 2025 to settle claims in its bankruptcy case.[87]

Rounding out the top five largest nonprofit owners are two private universities, Loyola and Xavier.[88] They had similar total assessed valuations of $23.8 million and $19.7 million, respectively, despite having very different real estate portfolios. Table 6 summarizes the five largest nonprofit owners of exempt property based on total assessed value.

Table 6. Largest Nonprofit Owners of Exempt Property By Assessed Value
($ figures in millions)

Owner	2025 Exempt Assessed Value	% of Total	Parcels	Ownership Entities Identified
Tulane University	$139.4	22%	85	1
LCMC (including Touro Infirmary and Children's Hospital)	$92.3	15%	78	2
Archdiocese of New Orleans and apostolates	$51.9	8%	168	50
Loyola University	$23.8	4%	9	1
Xavier University	$19.7	3%	196	1
All Other Owners of Exempt Nonprofit Property	$296.6	48%	3,418	957
Total Exempt Nonprofit Property	**$623.8**	**100%**	**3,954**	**1,012**

BGR analysis of 2025 Orleans Parish exempt roll.

BGR notes that the 957 other nonprofit owners of exempt property are primarily other religious organizations (675) or organizations serving a wide range of charitable purposes (163).

As noted earlier in this report, Louisiana grants tax exemptions to a host of other nonprofits, ranging from fraternal and labor organizations to cultural and carnival organizations. Collectively, they represent less than 100 owners and 250 properties citywide, with a combined assessed value of $36 million, or just 6% of the total assessed value of exempt nonprofit property. BGR found that Mardi Gras krewes have grown their holdings, while labor unions and fraternal organizations have reduced theirs.

Development Incentives. BGR found 45 unique owners of the 519 properties with taxes exempted through development incentives. Nearly 90% of the properties were private developments assisted with PILOT incentives by the Industrial Development Board of New Orleans (429 parcels) or Finance New Orleans (33 parcels).

New Orleans' development incentives are heavily focused on residential development. Despite its name, all but 22 of the Industrial Development Board's exempt parcels were residential properties. During the Katrina recovery, the board provided PILOT incentives to help the Housing Authority of New Orleans redevelop several public housing sites. The board has also assisted private housing developments to increase housing affordability. Since 2020, however, Finance New Orleans, formerly called the Finance Authority of New Orleans, has begun approving PILOTs for residential rental developments. BGR found the agency held 33 exempt parcels in 2025 (excluding its headquarters, which BGR counts as public property).

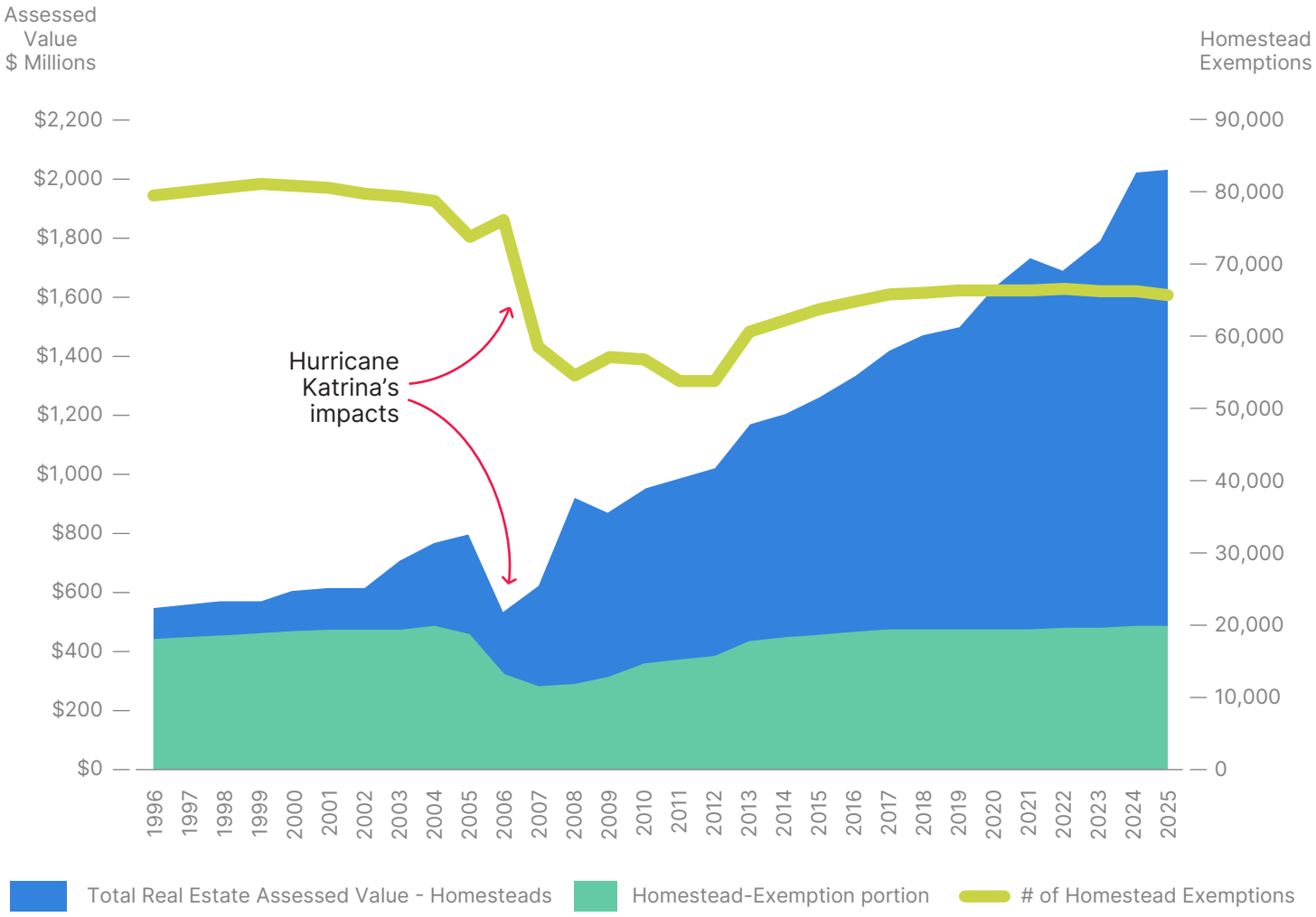
Key Takeaway: Although New Orleans has more than 1,100 unique owners of non-homestead exempt property, exempt value is concentrated among a relatively small number of major public and nonprofit institutions. Federal, school, City, and State higher-education properties account for much of the public exempt value, while the five largest nonprofit owners hold more than half of nonprofit exempt assessed value. This concentration makes ownership analysis especially important. It can help policymakers and assessors focus on accountability, valuation review, public real estate portfolio management, and potential tools for raising revenue from exempt properties.

Homestead Exemptions in New Orleans

The general growth in New Orleans' real estate values is most clearly seen in owner-occupied homes eligible for the homestead exemption.

Chart I tracks the level of homestead exemptions, their total assessed value and the exempt portion of those assessments over time. It shows how the taxable portion of New Orleans homes has increased, after property values and the number of exemptions rebounded from impacts of the 2005 Katrina disaster.

Chart I. New Orleans Homestead-Exemption Properties, 1996 to 2025



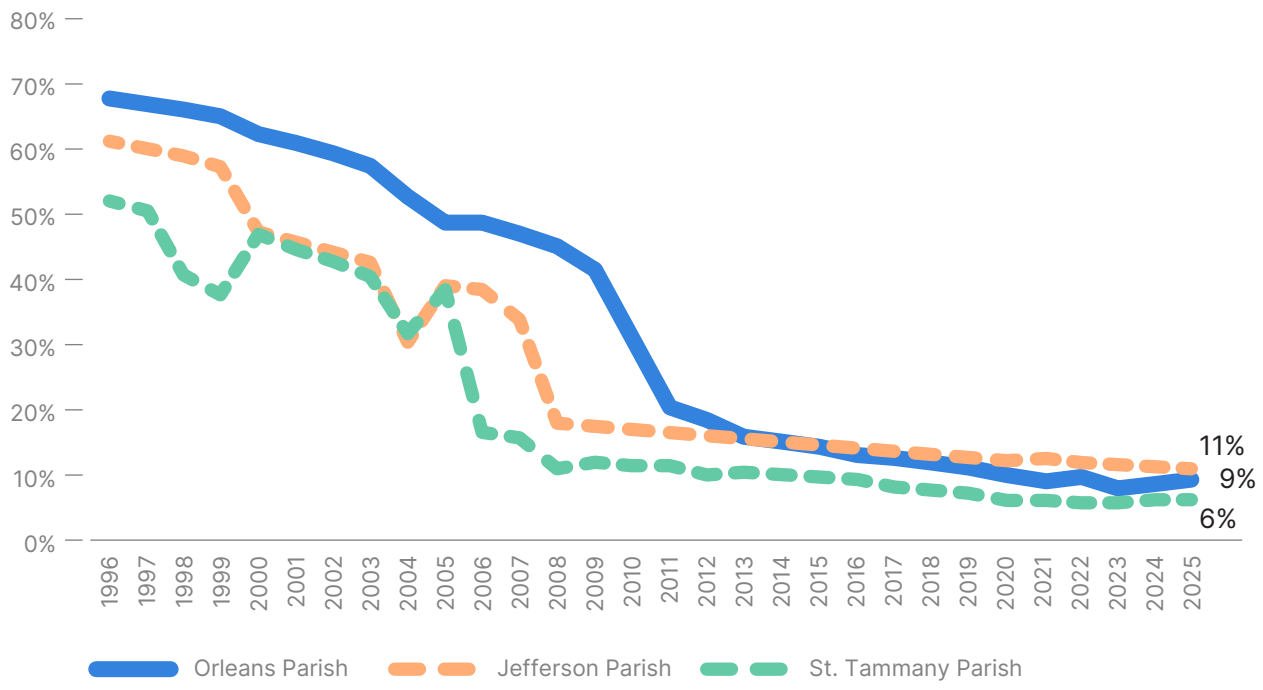
BGR analysis of Louisiana Tax Commission statistical reports for New Orleans tax years.

When home values were lower in 1996, the homestead exemption fully protected more than two-thirds of owner-occupied homes in New Orleans from paying property tax, except for the police and fire taxes not subject to the exemption. By 2025, the appreciation in home values had reduced this percentage to 9% (6,194 of New Orleans' 65,720 homes carrying the exemption).[89] This trend of increasing home values reducing the number of homes fully covered by the fixed exemption (the first $7,500 of assessed value, equivalent to $75,000 market value) is also seen in Jefferson and St. Tammany parishes, as shown in Chart J.

In addition, the share of property taxes paid by Orleans Parish homeowners now aligns more closely with their share of the parish's total real estate value.[90] In 1996, the taxable portion of the nearly 80,000 homestead-exempt properties in New Orleans amounted to $97.5 million, or just 11% of taxable real estate assessed value. This meant that businesses and other residential prop-

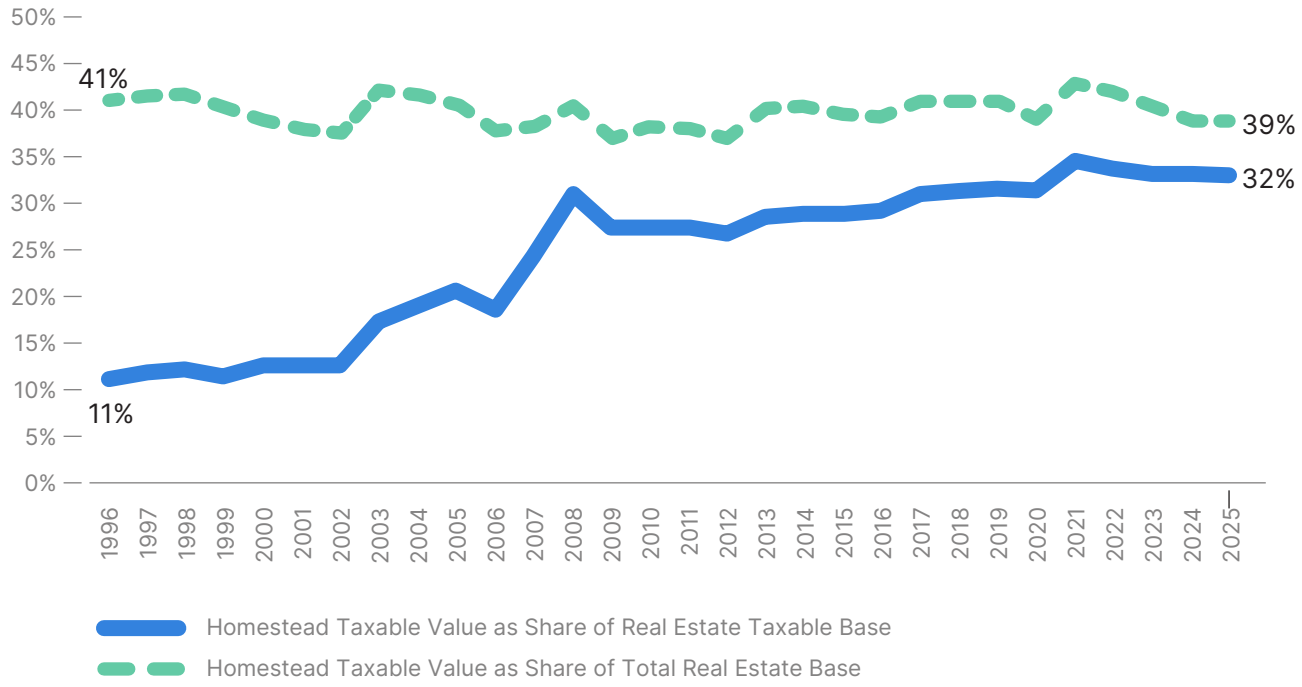
erty represented 89% of the property tax base to support services and infrastructure. As shown in Chart K, the citywide reassessment ordered by the Tax Commission in 2007 corrected significant underassessment for owner-occupied homes. In 2025, owner-occupied homes represented 32% of taxable real estate, a fairer share but still less than their share of New Orleans' total real estate base. The persistent gap indicates the tax burden still falls more heavily on businesses and other residential property, a caution for attempts to increase the homestead exemption.

Chart J. Percentage of Homesteads Fully Exempt By Parish



BGR analysis of Louisiana Tax Commission Annual and Biennial reports.

Chart K. Owner-Occupied Homes' Share of the Property Tax Burden in New Orleans Still Trails Their Share of Real Estate Value



BGR analysis of Louisiana Tax Commission Annual and Biennial reports.

Key Takeaway: Rising home values have reduced the homestead exemption's ability to fully shield homes from property taxes, leaving only 9% of New Orleans homestead-exempt properties fully exempt in 2025 compared with more than two-thirds in 1996. This change has improved fairness in the property tax system by more closely aligning homeowners' share of the property tax base with their share of total real estate value. But the exemption still narrows the tax base and places more of the burden on businesses, renters through their landlords, and other taxable property. That persistent imbalance is an important caution against expanding the homestead exemption without clear fiscal analysis and justification.

Conclusion

New Orleans' large share of tax-exempt real estate is not simply a lost-revenue problem; it is a structural feature of the city's tax system that shapes public services, infrastructure investment and the distribution of tax burdens. Exemptions are widespread in property tax systems here and nationally, and many of them support important public goals, including government operations, nonprofit services, homeownership and economic development. But with 37% of real estate assessed value off the tax rolls in 2025, the cumulative effect on New Orleans is significant. Local government entities have less property value available to fund essential services, and taxable residents and businesses bear more of the cost.

BGR's analysis shows how these impacts have persisted for decades, and other parishes face similar challenges. But the analysis also shows that the issue is difficult to solve through broad constitutional reform alone. Louisiana's exemptions are embedded in its constitution, and statewide reform faces political and legal barriers. That makes practical action more important.

As a result, BGR's most vital recommendation is not constitutional reform, but a call for City of New Orleans leaders to develop a fair, transparent and accountable fee for infrastructure needs. BGR has found, for example, that the New Orleans drainage system's needs for new revenue are substantial, and 60% of its existing revenue is at risk if one of its property taxes expires in 2027 and another follows in 2031. Stable and sufficient funding for New Orleans' drainage needs will likely require both a fee and an extension of some or all of the current 14.26 mills of property taxes. If carefully implemented with a prioritized spending plan, a fee can distribute costs more fairly among those who benefit from public systems.

Policymakers should still take steps to make property tax exemptions more efficient, effective, transparent and accountable. State legislators should study the potential for a shift to a stricter use requirement for nonprofit property, and in the meantime, increase reporting and review requirements and avoid expanding exemptions, including homestead relief, without clear estimates of fiscal impact and who will bear the shifted costs. Parish assessors should complement those efforts by improving public data reporting on exempt property and scrutinizing eligibility and use of exempt property. City officials and incentive-providing agencies should act strategically and apply strong standards when approving discretionary tax breaks.

BGR's analysis is not a call to tax all exempt property. For the public, the central question is whether exemptions are producing benefits that justify their costs. Policymakers should offer greater assurance that the quid pro quo is working. Carefully designed service fees, stronger reporting and valuation practices, disciplined management of public property, and more rigorous review of nonprofit and incentive exemptions can help New Orleans protect valued public benefits without allowing the exempt share of the tax base to undermine fiscal sustainability or taxpayer fairness.



Recommendations

BGR suggests prioritizing time-sensitive recommendations based on the potential risks to New Orleans' drainage system funding and the 2027 legislative session, which is the opportunity once every two years to deal with fiscal matters such as tax exemptions.

Top Priority

To provide a way for tax-exempt property to help pay for drainage and other New Orleans infrastructure, City of New Orleans leaders should develop a fair, transparent and accountable fee proposal by 2027 for clearly defined and prioritized infrastructure needs. The proposal should begin with a prioritized spending plan based on current cost estimates for key infrastructure needs. It should also set forth a transparent rate methodology and administrative approach, fee credits and affordability protections where appropriate, and annual performance reporting on fee revenue and infrastructure improvements. BGR's research on stormwater fees and transportation utility fees offers more specific recommendations. Having a fee in place would allow tax-exempt property owners to begin contributing to core infrastructure needs in New Orleans, helping to reduce the cost burden that otherwise would fall exclusively on taxpayers.

- ***Priority for 2027:*** A fee proposal is time sensitive for 2027 because that is when one of the three existing drainage taxes is set to expire, unless renewed or replaced. In addition, city residents have been calling for greater investment in basic infrastructure for years, as they are dissatisfied with broken streets, burst water pipes and neighborhood flooding. It is also important to prioritize the fee proposal if action is needed in the spring 2027 legislative session to update laws essential to successfully implementing a fee.

Recommendations for the Legislature

To chart a course for constitutional exemption reform, the Louisiana Legislature should:

Establish minimum statewide reporting standards for exempt property. At a minimum, the standards should require every parish assessor to report to the Louisiana Department of Revenue, the Louisiana Tax Commission, or another appropriate agency a list of the exempt property by parcel, owner, exemption type, assessed value, land area and property classification in a searchable public format. The State agency should make these lists available online. These initiatives will require additional State funding, but they would enhance information available to the general public and local governments. Greater transparency can bolster taxpayer confidence in local property tax systems.

- ***Priority for 2027:*** The Legislature should provide funding in the spring 2027 session to support the development of the centralized reporting system for the 2027-28 fiscal year, which ends June 30, 2028.

Require periodic review of all constitutionally authorized property tax exemptions at least once every 10 years. Each review should identify the exemption's policy purpose and affected taxpayers, estimate its public benefits and costs, and determine whether it should be retained, revised or repealed. The review should be conducted through a public process with input from assessors, local taxing bodies and affected property owners. While the review process will take time and resources, it could surface issues that the Legislature can address in support of fairness and accuracy in the property tax system.

- ***Priority for 2027:*** Legislation regarding tax exemptions is allowed only in odd-numbered years, and there is no current or timely authorization for the study. Legislation should be authorized in 2027 with a target of initiating the review in 2028.

Convene a committee to draft a constitutional amendment and statutory companion legisla-

tion requiring nonprofit-owned property to be used primarily for an exempt purpose in order to qualify for a property tax exemption. The committee should draft a constitutional amendment and statutory companion legislation that preserves exemptions for property actively used for religious, charitable, educational, health, welfare, burial and other recognized public-benefit purposes, while authorizing the Legislature to define use standards, documentation requirements and exceptions. BGR suggests a committee supported by legal and tax experts, with channels for input from concerned parties, such as assessors, local government officials, nonprofit organizations and members of the public. Because of the complexity involved in conducting the study, surveying other states, and gathering input from stakeholders, the recommendations may not be ready for action in the 2027 session. But Louisiana could emerge with a clear path to a more efficient and effective nonprofit exemption that supports beneficial uses of that property for the community and stronger local tax bases.

- ***Priority for 2027:*** Legislation regarding tax exemptions is allowed only in odd-numbered years, and there is no current authorization for the study. It should be authorized in 2027 and completed before the 2029 fiscal-only session.

Recommendation for Legislators and Parish and City Officials

Legislators and parish and city officials should avoid creating or expanding property tax exemptions without a fiscal analysis of the benefits and costs of the change, including the affected taxing bodies and distribution of shifted costs. Voters should reject proposals that do not provide a clear analysis and justification. The Legislature should enact a law requiring legislative proposals to estimate the exemption's cost to each affected taxing body, identify who benefits and who bears the cost, explain why the exemption is necessary, and include a sunset date or review requirement. Parish or city officials seeking local option votes to expand the homestead exemption should follow a similar approach. The change will help limit poorly conceived or ineffectual exemption requests and clarify the value of those that can be sustained. It will also help support greater fairness and public confidence in the property tax system that is essential to adequately fund local government.

- ***Priority for 2027:*** The law should be included with the other bills in the 2027 fiscal only legislative session to strengthen future legislative proposals.



Recommendations for Local Government

Local government entities that award property tax incentives for private development should adopt or update written incentive policies requiring findings that each exemption is strategic, necessary, efficient, effective and fair. Policies should require incentive applicants to disclose projected jobs, investment, or other public benefits, tax revenue impacts, and any alternative subsidies being pursued. They should also have clear eligibility and award criteria that demonstrate the project's alignment to the local strategic plan and goals for economic development. Policies should also limit the subsidy to the minimum necessary for the project to proceed and require post-award compliance reporting and clawback provisions when commitments are not met. The policies will help ensure that only strategic and effective investments receive public assistance through the tax break, supporting the public's return on what are significant individual investments. Preventing unnecessary subsidies avoids the transfer of costs of government to other taxpayers.

- ***Suggested timing:*** Setting a goal of the end of 2027 allows agencies time to study and implement policies.



The City of New Orleans should complete and publish an inventory of City-owned vacant or underused exempt property and identify parcels suitable for reuse, sale, redevelopment, public facilities or green infrastructure. The City should publish the inventory on its website. It should include parcel location, assessed value, land area, current use, restrictions on disposition, and a recommended action category. The inventory goes hand in hand with managing City assets holistically and looking for new revenue opportunities. Putting its properties to more productive use can boost tax revenue, lower maintenance costs and strengthen neighborhoods.

- ***Suggested timing:*** Completing the review in 2027 will enable the current administration to solicit proposals for redeveloping strategically located City properties or the City Council to dispose of property that the City no longer needs.

Recommendation for Parish Assessors

Parish assessors, with support from the Louisiana Assessors' Association, should collaborate on standard guidance for valuing exempt property (other than homesteads). BGR views this step as essential to support other recommendations to enhance statewide reporting of information about exempt property. The assessors should make the process cost-effective for their budgets by determining, in the methodology, how estimates can be used to provide reasonably accurate public information on exempt properties. The standard guidance should be paired with (1) a regular schedule for completing the exempt property valuations, preferably at least once every four years like taxable property, (2) a standard format for reporting the value of exemptions by category on each assessor's annual grand recap and website, and (3) public documentation, such as a quality control report, explaining the methods and assumptions used for the assessor's estimates. Improving the consistency and reliability of exempt property valuations statewide will increase transparency and accountability, bolster public confidence in the property tax system, and highlight areas for exemption reform.

- ***Suggested timing:*** The standard guidance should be developed for implementation after assessors complete their upcoming parishwide reassessments (in 2027 for Orleans and 2028 for other parishes).

Appendix A. Methodology for New Orleans Analysis

The core analysis of property tax exemptions in New Orleans is based on (1) homestead exemptions reported by the assessor to the Tax Commission and published in its annual reports, and (2) rolls of other exempt property that BGR purchased over the years from the Orleans Parish Assessor's Office (2020 and 2025) and the previous Orleans Parish Board of Assessors (1996 and 2011). They mark key moments in the history of exempt property, as shown in Table 7.

Table 7. Exempt Property Rolls Reviewed by BGR

Tax Year	Key Moment	Exempt Parcels Analyzed (Other than Homesteads)
1996	BGR exposes the outsized 65% share of real estate assessed value representing exempt property against an undervalued real estate tax base in New Orleans.	**8,116**
2011	The seven assessors prepare their last exempt roll. Six years after Hurricane Katrina, the roll had swelled with more than 4,300 flood-damaged homes sold to the State's Road Home Corp.	**14,566**
2020	BGR checks the progress of the single assessor about a decade in and just pre-COVID.	**12,335**
2025	Twenty years after Katrina, and 30 since its original study, BGR assesses the exempt property landscape again for this report.	**10,307**

Due to the volume of exempt property analyzed, BGR did not perform independent appraisals for this report, but instead accepted the assessors' valuations. BGR did, however, review and categorize the ownership of individual parcels (other than homesteads) in 2011, 2020 and 2025 to analyze trends. It developed a set of unique owner names to link properties from roll to roll. The assignment of properties to unique owner names is an approximation by BGR relying on the assessor's detailed parcel records, corporate records maintained by the Louisiana Secretary of State, organization websites, past BGR research, and other public documents. BGR cannot guarantee complete accuracy because real estate title searches were cost prohibitive for the thousands of properties analyzed. However, the method provides a greater degree of accuracy for the analysis than using only the owner names on the exempt roll. There are many spelling variations in the records. For example, properties owned by Tulane University appear under more than a dozen different variations of the university's name. In addition, some records did not reflect organization name changes, mergers between organizations, corporate affiliations or relationships, or dissolutions.

Appendix B. Historical Insights on New Orleans Tax Exemptions

BGR's 1996 report, entitled *Property Taxes in New Orleans: Who Pays? Who Doesn't? And Why?*, found that 65% of real estate assessed value was exempt and off the tax rolls.[91] One key factor was that New Orleans' tax base had contracted from decades of losing people and businesses to the suburbs and an economic recession associated with the collapse of the oil industry in the 1980s. The 1999 "Rusk Report" found that the inflation-adjusted tax base in New Orleans contracted by 56% from 1950 to 1998, while the other parishes in the region experienced substantial growth, including 432% in Jefferson Parish and 725% in St. Tammany Parish.[92] Meanwhile, New Orleans remained the region's hub of institutional, educational and governmental activity, amplifying the effects of "an exemption-riddled tax structure."[93] For example, in 1996, the homestead exemption fully exempted 68% of New Orleans' owner-occupied homes.[94] In its 1996 report, BGR cautioned that exempt valuations were "unreliable and out of date."[95]

Another key driver of the 65% figure was widespread underassessment of taxable property. Inconsistent practices among New Orleans' seven elected assessors fueled the underassessment problem. These exemption and assessment problems persisted for another decade.[96] The Louisiana Tax Commission ordered a citywide reassessment in 2007.

When BGR reviewed taxable and exempt property again in 2011, it found the share of exempt real estate had dropped from 65% to 37%.[97] Assessors increased the value of taxable real estate by 150% from 1996 to 2011. However, BGR found the seven assessors had devalued exempt real estate to $1.31 billion. It is likely that the drop, which occurred across almost every category of exempt property as shown in Table 8, was affected by flood damage from the 2005 Hurricane Katrina disaster, as well as the assessors' focus on taxable property during the early years of the recovery. The outlier of the sharp increase in Industrial Tax Exemption Program property may have resulted from assessors correcting a historical under-valuation of that exempt property.

Table 8. New Orleans Tax-Exempt Real Estate Assessed Value, 1996 to 2011

	Assessed Value on 1996 Roll	Assessed Value on 2011 Roll	% Change
Homestead Exemption	$448,231,776	$372,613,310	-17%
Other Categories of Exempt Real Estate:			
Public School (A)	137,725,928	96,472,100	-30%
Private School (B)	15,333,078	7,645,430	-50%
Religious (C)	84,359,812	48,584,530	-42%
Churches (D)	134,824,163	81,590,110	-39%
Fraternal Organization (E)	4,320,280	3,236,570	-25%
City (F)	136,657,601	142,495,010	4%
State (G)	49,926,723	38,828,600	-22%
Federal (H)	74,975,750	48,742,160	-35%
Labor Union (I)	2,873,890	881,620	-69%
Industrial (J)	3,164,120	63,770,370	1915%
Sewerage and Water Board (K)	8,763,430	5,683,500	-35%
Public Belt Railroad (L)	405,320	422,050	4%
Levee Board (M)	56,805,520	35,826,740	-37%
Port of New Orleans (N)	108,750,214	74,589,670	-31%
Road Home (P) *		30,103,540	
Housing Authority (R)	94,464,120	25,757,820	-73%
Tulane University (S)	114,724,032	75,034,570	-35%
All Others	187,326,019	156,064,470	-17%
Totals	**$1,663,631,776**	**$1,308,342,170**	**-21%**

* The State of Louisiana's Road Home Corporation acquired previously taxable residential properties damaged in the Katrina disaster.

BGR analysis of 1996 and 2011 exempt rolls categorized by the Orleans Parish assessors. Since 2011, the single assessor has replaced these categories of exempt property with ones that more closely reflect the legal type of exemption, e.g., "government," "nonprofit" or "fraternal." BGR could not replicate the older categories when analyzing the 2020 or 2025 exempt rolls. BGR adjusted the 2011 exempt roll to exclude an erroneous $374 million Industrial Canal parcel from the Port of New Orleans line item. This parcel did not appear in the 1996 roll. The assessor's office added the second erroneous parcel, with an assessed value of $347 million, to the exempt roll sometime after 2011.

Appendix C. Changes in Tax-Exempt Real Estate 2011-2025

The following tables summarize BGR's analysis of tax-exempt real estate assessed value and parcels in 2011 (the last exempt roll prepared by the seven assessors), 2020 (the exempt roll before the COVID-19 pandemic), and 2025 (the most recent roll for which BGR could complete an analysis).

Table 9. Analysis of Changes in Assessed Value of Tax Exemptions in New Orleans, 2011 to 2025

($ figures in millions of exempt assessed value, not adjusted for inflation)

	2011	2020	% change 2011-20	2025	% change 2020-25
PUBLIC PROPERTY					
Federal Government	$51.2	$250.3	389%	$258.7	3%
State of Louisiana:					
Louisiana State University (LSU)	$9.9	$176.0	1678%	$186.4	6%
Other State Higher Education	$20.7	$38.5	86%	$49.6	29%
State Government	$30.4	$43.6	43%	$36.4	-17%
Road Home Corporation	$30.6	$0.0	-100%	$0.0	-68%
Privately Owned State Facility		$1.3	--	$1.3	0%
Orleans Parish School Board:					
Orleans Parish School Board	$78.3	$172.8	121%	$214.6	24%
Industrial Development Board School PILOT (1)		$3.9	--	$4.0	3%
City of New Orleans:					
City of New Orleans	$93.0	$154.9	67%	$161.5	4%
Sewerage & Water Board (2)	$8.6	$14.4	67%	$26.4	84%
City-Owned Public Benefit Corporation	$3.2	$6.7	111%	$6.7	0%
State-Created Special Districts or Agencies:					
City Park	$10.0	$62.5	528%	$144.9	132%
Levee District	$66.8	$82.6	24%	$89.2	8%
Convention Center	$5.6	$88.5	1484%	$89.1	1%
Port of New Orleans	$52.0	$71.8	38%	$76.9	7%
Other Orleans Parish Government	$41.6	$57.1	37%	$53.1	-7%
Louisiana Stadium and Exposition District	$19.3	$36.7	90%	$54.9	50%
Housing Authority of New Orleans	$28.1	$32.2	15%	$29.1	-10%
New Orleans Redevelopment Authority	$1.8	$2.4	38%	$9.9	308%
Regional Transit Authority	$3.4	$4.7	40%	$5.7	20%
Other Exempt Public Property in New Orleans:					
Privately Owned Public Housing		$0.3	--	$0.3	19%
Foreign Government	$0.2	$0.2	-13%	$0.2	-15%
Public Property In Transition to Taxable Status	$0.0	$0.0	-98%	$0.0	32%
Subtotal: Public Property Exempt Assessed Value	**$554.6**	**$1,301.6**	**135%**	**$1,499.0**	**15%**

Appendix C continued

	2011	2020	% change 2011-20	2025	% change 2020-25
NONPROFIT PROPERTY					
Educational	$129.9	$233.7	80%	$259.6	11%
Religious	$83.1	$137.9	66%	$142.3	3%
Health	$55.9	$90.5	62%	$120.6	33%
Charitable / Welfare	$23.0	$39.9	73%	$42.5	7%
Cultural / Mardi Gras Carnival / Civic	$6.3	$21.2	236%	$28.7	35%
Dedicated Places of Burial	$7.6	$18.3	140%	$22.5	23%
Fraternal	$2.8	$3.0	10%	$3.5	15%
Promotion of Trade, Travel and Commerce	$0.7	$1.0	48%	$1.9	90%
Labor Organization	$1.5	$1.8	20%	$1.0	-44%
Trade, Business, Industry or Professional Society or Association	$0.5	$0.8	61%	$0.8	4%
Housing Authority of New Orleans				$0.4	
Nonprofit Property In Transition to Taxable Status	$0.0	$0.1	679%	$0.1	59%
Undetermined	$0.2		-100%		
Subtotal: Nonprofit Property Exempt Assessed Value	**$311.5**	**$548.3**	**76%**	**$623.8**	**14%**
DEVELOPMENT INCENTIVES					
Payment in Lieu of Taxes (PILOT)	$22.2	$59.6	169%	$79.9	34%
Industrial Tax Exemption Program (ITEP)	$43.2	$40.9	-5%	$24.2	-41%
Restoration Tax Abatement (RTA)	$4.2	$68.3	1530%	$22.6	-67%
Industrial Business on Port of New Orleans Property	$0.0	$0.5	9311%	$0.5	0%
New Orleans Redevelopment Authority	$0.0		-100%	$0.0	
Undetermined	$0.0		-100%		
Subtotal: Development Incentives Exempt Assessed Value	**$69.6**	**$169.3**	**143%**	**$127.3**	**-25%**
Total Exempt Assessed Value, Other Than Homesteads	**$935.7**	**$2,019.3**	**116%**	**$2,250.0**	**11%**
Plus: Homestead Exemptions	**$372.6**	**$479.3**	**29%**	**$491.9**	**3%**
Total Exempt Assessed Value	**$1,308.3**	**$2,498.6**	**91%**	**$2,741.9**	**10%**

(1) The School Board's assessed value, which consists primarily of school sites it owns and leases to charter school operators, includes certain sites transferred to the Industrial Development Board of New Orleans to facilitate special school construction financing (approximately $4 million in assessed value).

(2) The City is the ultimate owner of the S&WB's property under State law. The City also created and controls public benefit corporations that manage the development and leasing of City-owned commercial real estate, such as the French Market.

BGR analysis of data from the Orleans Parish Assessor's Office and the Louisiana Tax Commission. Numbers may not add due to rounding.

Table 10. Analysis of Changes in the Number of Parcels for Public Property, Non-profit Property, and Development Incentives, 2011 to 2025
(ordered by size of 2025 assessed value by category, as shown in Table 9)

	2011	2020	% change 2011-20	2025	% change 2020-25
PUBLIC PROPERTY					
Federal Government	307	342	11%	317	-7%
State of Louisiana:					
Louisiana State University (LSU)	232	128	-45%	140	9%
Other State Higher Education	9	11	22%	14	27%
State Government	1,410	1,326	-6%	988	-25%
Road Home Corporation	4,306	2	-100%	2	0%
Privately Owned State Facility	0	1	--	1	0%
Orleans Parish School Board:					
Orleans Parish School Board	292	233	-20%	234	0%
Industrial Development Board - School PILOT	0	4	--	2	-50%
City of New Orleans:					
City of New Orleans	1,600	1,818	14%	1,406	-23%
Sewerage & Water Board	130	135	4%	137	1%
City-Owned Public Benefit Corporation	17	8	-53%	8	0%
State-Created Special Districts or Agencies:					
City Park	6	30	400%	30	0%
Levee District	177	230	30%	212	-8%
Convention Center	28	20	-29%	20	0%
Port of New Orleans	201	218	8%	226	4%
Other Orleans Parish Government	69	91	32%	79	-13%
Louisiana Stadium and Exposition District	53	13	-75%	11	-15%
Housing Authority of New Orleans	921	1,359	48%	1,106	-19%
New Orleans Redevelopment Authority	363	1,645	353%	865	-47%
Regional Transit Authority	11	10	-9%	8	-20%
Other Exempt Public Property in New Orleans:					
Privately Owned Public Housing	0	37	--	26	-30%
Foreign Government	3	1	-67%	1	0%
Public Property In Transition to Taxable Status	10	1	-90%	1	0%
Subtotal: Public Property Exempt Parcels	**10,145**	**7,663**	**-24%**	**5,834**	**-24%**

Appendix C continued

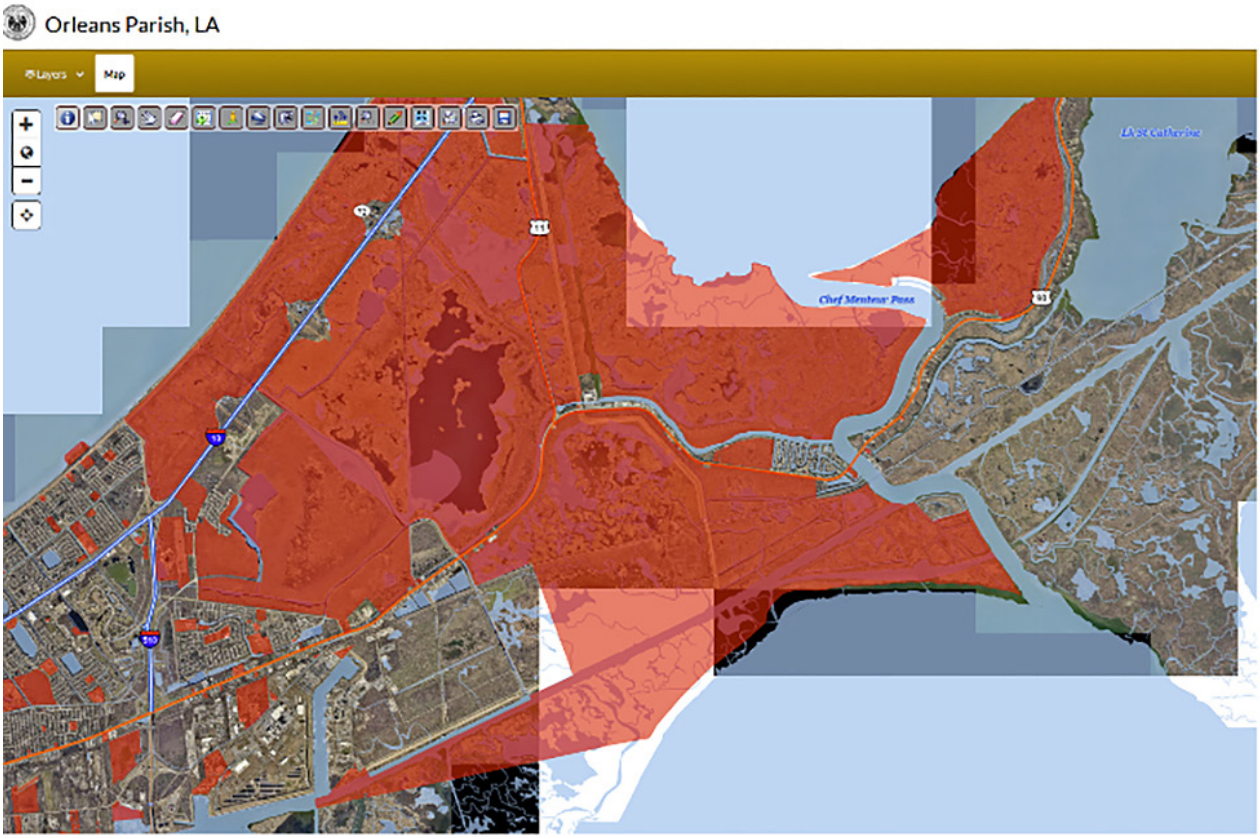
	2011	2020	% change 2011-20	2025	% change 2020-25
NONPROFIT PROPERTY					
Educational	398	442	11%	467	6%
Religious	2,171	2,196	1%	2,062	-6%
Health	169	182	8%	140	-23%
Charitable / Welfare	1,238	1,209	-2%	966	-20%
Cultural / Mardi Gras Carnival / Civic	123	174	41%	173	-1%
Dedicated Places of Burial	48	57	19%	58	2%
Fraternal	41	35	-15%	25	-29%
Promotion of Trade, Travel and Commerce	4	1	-75%	8	700%
Labor Organization	33	29	-12%	15	-48%
Trade, Business, Industry or Professional Society or Association	2	5	150%	6	20%
Housing Authority of New Orleans	0	0	--	31	--
Nonprofit Property In Transition to Taxable Status	2	3	50%	3	0%
Undetermined	25	0	-100%	0	--
Subtotal: Nonprofit Property Exempt Parcels	**4,254**	**4,333**	**2%**	**3,954**	**-9%**
DEVELOPMENT INCENTIVES					
Payment in Lieu of Taxes (PILOT)	32	212	563%	462	118%
Industrial Tax Exemption Program (ITEP)	87	60	-31%	22	-63%
Restoration Tax Abatement (RTA)	38	66	74%	22	-67%
Industrial Business on Port of New Orleans Property	1	1	0%	1	0%
New Orleans Redevelopment Authority	2	0	-100%	12	--
Undetermined	7	0	-100%	0	--
Subtotal: Incentives Exempt Parcels	**167**	**339**	**103%**	**519**	**53%**
Total Exempt Parcels (Excl. Homesteads)	**14,566**	**12,335**	**-15%**	**10,307**	**-16%**
Homestead Exempt Parcels	**53,939**	**66,397**	**23%**	**65,720**	**-1%**

BGR separately reports Homestead Exempt Parcels because they are primarily taxable owner-occupied homes.

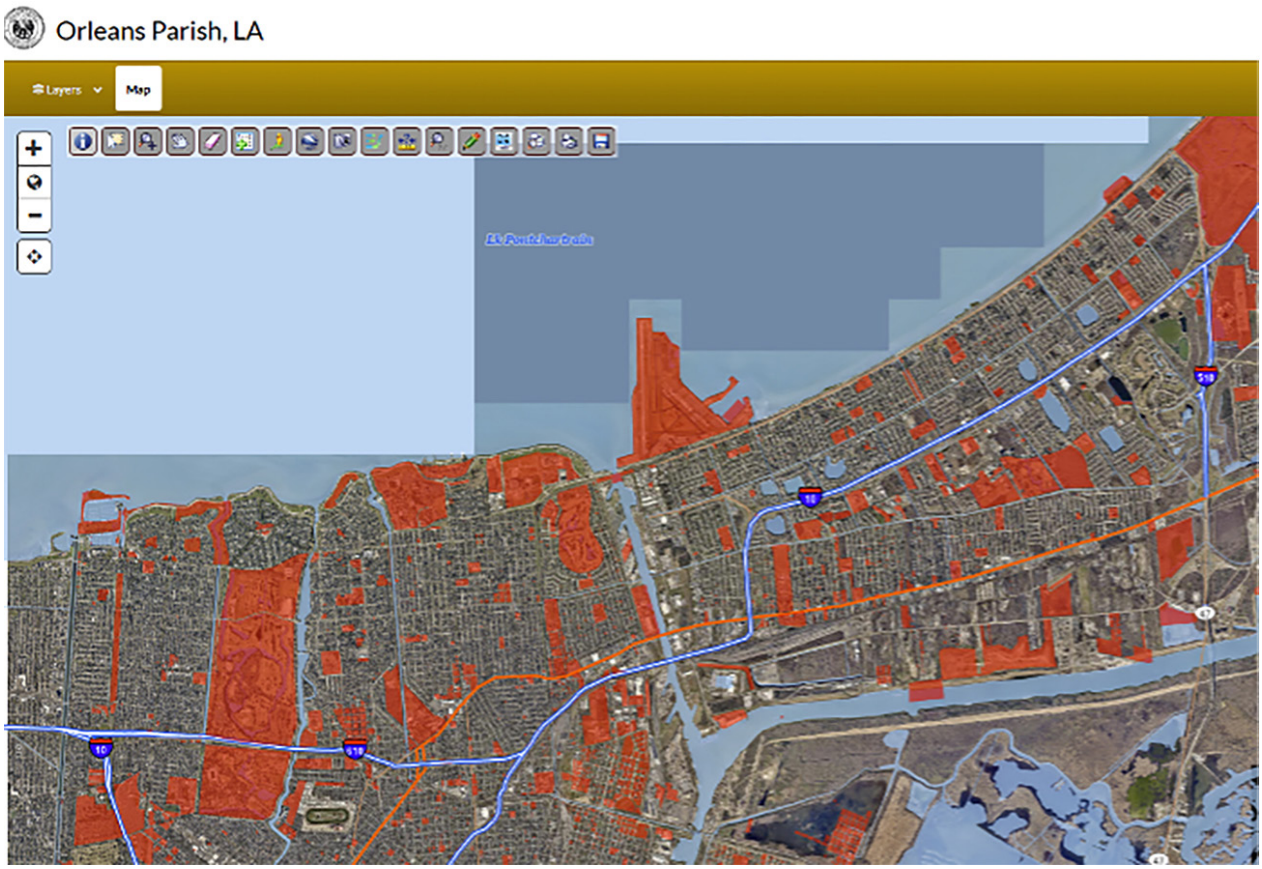
Appendix D. Maps of Tax-Exempt Parcels in New Orleans

BGR captured the following screenshots of the Orleans Parish Assessor's online parcel map showing exempt parcels in red as of September 3, 2026. Visit the assessor's website to view the current versions of the maps and access the records for exempt parcels.

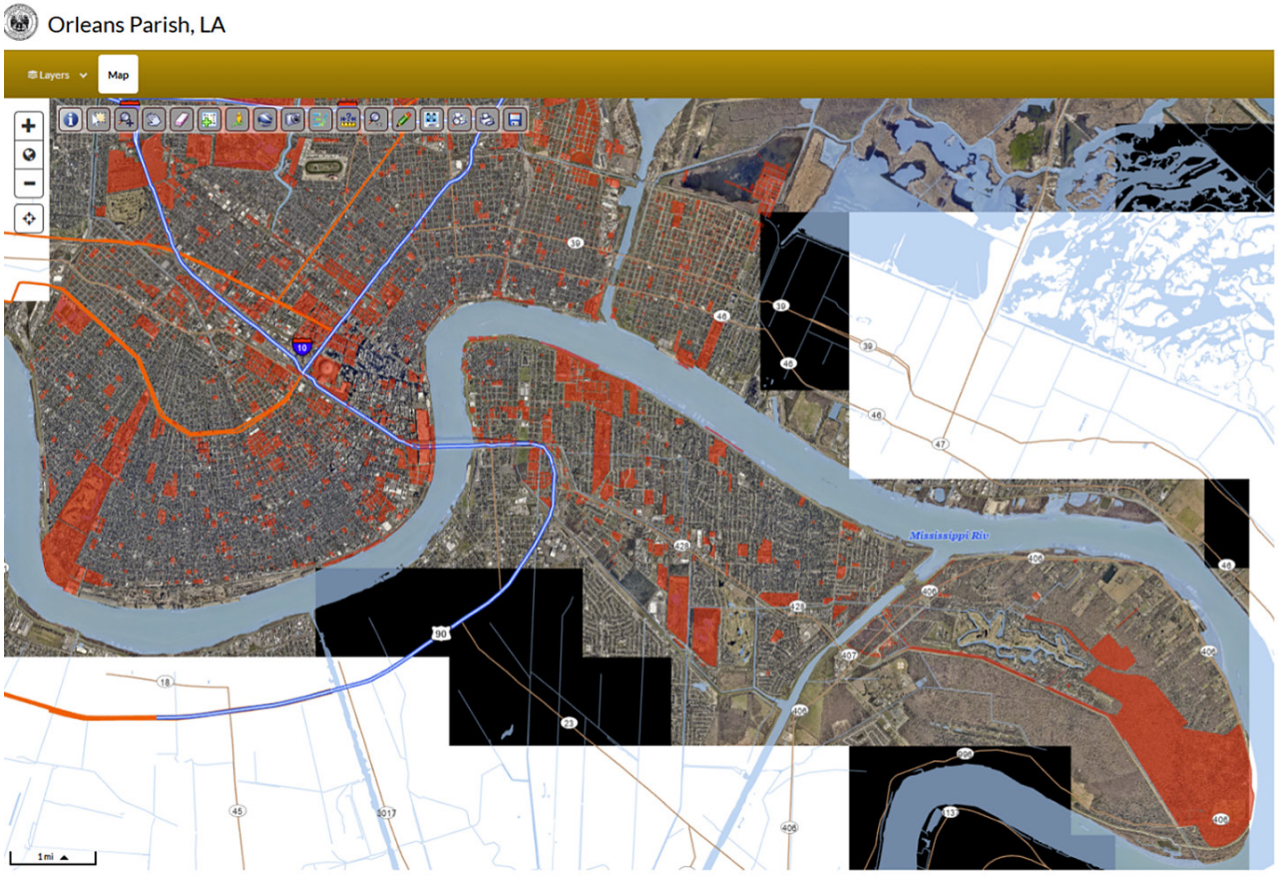
1. Interstate 510 to Lake Catherine



2. Jefferson Parish Line to Interstate 510



3. Jefferson Parish Line to Lower Coast Algiers



Endnotes

1 Bureau of Governmental Research (BGR), *Assessing the Assessor: Progress on Property Assessment Reform in New Orleans*, November 2019, p. 15, and *The $1 Billion Question Revisited: Updating BGR's 2015 Analysis of Orleans Parish Tax Revenues*, p. 6.

2 BGR, *Property Taxes in New Orleans: Who Pays? Who Doesn't? And Why?* October 1996, p. i.

3 BGR, *Paying for Drainage: Creating Fair, Transparent and Accountable Stormwater Funding for New Orleans*, January 2026.

4 Mayor Helena Moreno, Executive Order HM 26-15: City-Owned Real Estate Team, March 18, 2026.

5 McKendry, Nolan, "Louisiana school boards warn Amendment 6 could cut local funding," *The Center Square*, September 2, 2026.

6 La. Const. Art. 7, Sec. 21(A). The U.S. Supreme Court has ruled that federal government property is immune from state taxation in *McCulloch v. Maryland* and subsequent cases.

7 *Board of Commissioners of the Port of New Orleans v. City of New Orleans, et al.*, 186 So. 3d 1282, at 1288 (La.App. 4 Cir. 03/16/16), and *University of New Orleans Research and Technology Foundation, Inc., v. Norman White, et al.*, 414 So. 3d 727, at 732 (La.App. 4 Cir. 03/06/25), writ denied by *Univ. of New Orleans Rsch. v. White*, 2025 La. LEXIS 928 (La., June 17, 2025).

8 Pfister, Richard L., "A Reevaluation of the Justification for Property Tax Exemption," *Public Finance Quarterly*, Vol. 4, No. 4 (October 1976), p. 432.

9 BGR, *Property Tax Exemption and Assessment Administration in Orleans Parish*, January 2000, p. 16.

10 Ibid., p. 17.

11 See La. Const. Art. 7, Sec. 21(B) and (C)(12), which covers cultural, carnival and civic activities.

12 See Brody, Evelyn, "All Charities Are Property-Tax Exempt, but Some Charities Are More Exempt Than Others," 44 New Eng. L. Rev. 621 (2010). BGR, *The Nonprofit Margin: Addressing the Costs of the Nonprofit Exemption in New Orleans*, March 2011, p. 19.

13 La. Const. Art. 7, Sec. 21(B)(3).

14 BGR, *The Nonprofit Margin: Addressing the Costs of the Nonprofit Exemption in New Orleans*, March 2011, p. 7. Important cases over the years include: *Hotel Dieu v. Williams*, 410 So.2d 1111 (La. 1982); *Willis Knighton Medical Center v. Edmiston*, 979 So. 2d 656 (La. App. 2 Cir. 2008); *Board of Administrators of the Tulane Education Fund v. Louisiana Tax Commission*, 701 So. 2d 702 (La. App. 4th Cir. 1997), writ denied, 709 So. 2d 705 (La. 1998); and *Hotel Dieu v. Williams*, 403 So.2d 1255 (La. App. 4th Cir. 1981).

15 *World War II Theatre, Inc. v. Norman White, et al.*, No. 2026-C-00288 (La. 6/2/2026). After the Louisiana Supreme Court sent the case back to the Louisiana Fourth Circuit Court of Appeal in June, the appellate court ruled in September in favor of the hotel's exemption, finding that the unrelated commercial activity did not "eclipse" the hotel's related charitable purposes. The assessor has appealed that ruling to the Louisiana Supreme Court. Orleans Parish Assessor's Office, "Fourth Circuit Upholds Higgins Hotel Tax Exemption; Assessor Williams to Petition Louisiana Supreme Court," news release, September 25, 2026.

16 Louisiana has not always had such a lax use requirement. The 1921 Louisiana Constitution, which remained in effect until 1974, required that property be used for exempt purposes to be eligible for an exemption, and it prohibited exemptions for property leased for profit or income. Court rulings prior to the adoption of the current constitution in 1974 emphasized that use for an exempt purpose, and not merely nonprofit ownership, was the key criterion for an exemption. BGR, *The Nonprofit Margin: Addressing the Costs of the Nonprofit Exemption in New Orleans*, March 2011, p. 7.

17 Salamon, Lester M., "Of Market Failure, Voluntary Failure, and Third-Party Government: Toward a Theory of Government-Nonprofit Relations in the Modern Welfare State," *Journal of Voluntary Action Research*, Vol. 16, Issue 1-2, pp. 29-49.

18 BGR, *The Nonprofit Margin: Addressing the Costs of the Nonprofit Exemption in New Orleans*, March 2011, p. 4.

19 Ibid., p. 5.

20 The exemption application form is available here on the assessor's website.

21 Public Affairs Research Council of Louisiana, "Voting on Louisiana Proposed Constitutional Amendments 1978-2024," webpage updated December 17, 2024, accessed on June 3, 2025. The amendment, approved by the Legislature as Act 48 of the 2023 Regular Session, appears in La. Const. Art. 7, Sec. 21(B).

22 Finn, James, "New Orleans City Council removes tax exemptions for another neglected apartment complex," *The Times-Picayune | Nola.com*, September 20, 2024. See also Fazio, Marie, "Nonprofit must now pay property taxes for Bellemont apartment complex in Metairie," *The Times-Picayune | Nola.com*, March 27, 2024.

23 National Association of Home Builders, *The Benefits of Homeownership*, 2019.

24 BGR, *Who's Behind the Tree? The Homestead Exemption and Taxpayers in the New Orleans Area*, March 2009.

25 Merriman, David, "Distributional, tax rate, and revenue implications of property tax homestead exemptions," *Public Budgeting & Finance*, Vol. 44 (2024), pp. 195-203. See also, Walczak, Jared, *Amendment 3 Could Shift Tax Burdens to Renters*, September 2026, pp. 4-5.

26 La. Const. Art. 7, Sec. 20.

27 La. Const. Art. 7, Sec. 21(K).

28 La. Const. Art. 7, Secs. 21(K) and 21(M).

29 La. Acts 2026 Reg. Sess., No. 39.

30 La. Acts 2026 Reg. Sess., No. 274. The proposed amendment would exempt the next $6,000 of assessed value for people aged 65 to 68, the next $12,000 for people aged 69 to 72, the next $18,000 for persons aged 73 to 76, the next $24,000 for persons aged 77 to 80, and the next $30,000 for persons aged 81 and older.

31 La. Acts 2025 Reg. Sess., No. 220. The new limit, like the current limit, will continue to be increased annually for inflation based on the U.S. Consumer Price Index. The special assessment levels apply to elderly homeowners, age 65 or older, and those who are totally disabled, disabled veterans, or certain members of the military killed or missing in action or are a prisoner of war for more than 90 days.

32 La. R.S. 47:1703 and 47:1703.1.

33 See Louisiana Tax Commission annual reports https://stax.latax.la.gov/

34 Orleans Parish Assessor https://www.nolaassessor.com/facts-stats/

35 La. Const. Art. 7, Sec. 21(F). The Louisiana Constitution also permits the exemption of property owned by a targeted, non-manufacturing business in the operation of its facility; however, BGR could not identify any use of this exemption in New Orleans. La. Const. Art. 7, Sec. 21(L).

36 Jeff Landry, Governor, State of Louisiana, Executive Order No. JML 24-23, February 21, 2024.

37 A PILOT for a residential rental or commercial development involves a government taking title to a developer's property and leasing it back. The new public ownership renders the property exempt, but the lessor may charge the developer a certain rent (this is the PILOT) for developing on the "public" land. This PILOT rent is then distributed pro rata to the intended property tax recipients to offset the loss of tax revenue that would be payable but for the title transfer. If the PILOT rent is set lower than that amount, it provides a tax incentive (PILOT subsidy) for the property developer. La. Const. Art. 6, Sec. 21 provides the general authorization for PILOT arrangements, which can be executed using a variety of PILOT statutes.

38 La. Const. Art. 7, Sec. 21(H).

39 BGR, Letter to the New Orleans City Council on economic development incentives review, April 4, 2024.

40 The constitution exempts a broad range of property from ad valorem ("according to value") taxation. La. Const. Art. 7, Sec. 20 provides the homestead exemption. Other property exemptions are found in La. Const. Art. 7, Sec. 21. It states: "... the following property and no other shall be exempt from ad valorem taxation ... ." See also BGR, *Property Taxes in New Orleans*, p. 3. Some of this is individual personal property, such as cash, stocks, bonds, vehicles and boats, for which appraisal is administratively difficult. It also exempts certain movable property used in commerce, including raw materials, goods, commodities and construction materials. These exemptions arise from both the difficulty in identifying and assessing property and federal laws protecting interstate commerce.

41 The 1879 Louisiana constitution appears to be the first time a roster of property tax exemptions is set forth in the constitution, with an initial version of the characteristic opening phrase: "The following property shall be exempt from taxation, and no other ..." See Article 207 of the Constitution of the State of Louisiana, 1879.

42 Brody, Evelyn, "All Charities Are Property-Tax Exempt, but Some Charities Are More Exempt Than Others." It was beyond the scope of BGR's study to further analyze property tax exemption laws in the 50 states.

43 See the *Records of the Louisiana Constitutional Convention of 1973: Convention Transcripts*, Vol. 8, p. 1910.

44 Pfeil, Alyse, "Pastor known for battling COVID restrictions takes on Gov. Jeff Landry over tax changes," *The Times-Picayune | Nola.com*, March 8, 2025. See also, Bridges, Tyler, "Gov. Jeff Landry says the 'far left' killed Louisiana amendments. Here's what the data shows." *The Times-Picayune | Nola.com*, April 2, 2025.

45 Bridges, Tyler, "After Louisiana voters reject Amendment 2, Gov. Jeff Landry, lawmakers try different approach," *The Times-Picayune | Nola.com*, May 1, 2025.

46 Walczak, Jared, *Amendment 3 Could Shift Tax Burdens to Renters*, September 2026, pp. 4-5.

47 Ibid.

48 La. R.S. 47:1951 et seq.; La. R.S. 47:2323. Louisiana Tax Commission rules require that "all property within the state of Louisiana shall be assessed at fair market valuations and either placed on the regular tax rolls, exempt rolls, or adjudicated tax rolls." Louisiana Administrative Code, Title 61, Part V, Sec. 213(A).

49 Louisiana assessors are not unusual in this regard. Many other cities lack readily accessible data on exempt property. "Some jurisdictions seek to appraise exempt property in the same manner as taxable parcels, but many do not. As one Dallas appraiser stated, 'It makes no sense to waste time and effort on properties that don't produce taxes.'" Youngman, Joan, *A Good Tax: Legal and Policy Issues for the Property Tax in the United States* (Cambridge, Mass.: Lincoln Institute of Land Policy, 2016) p. 175.

50 Information provided by the Louisiana Tax Commission.

51 See BGR, *Property Taxes in New Orleans: Who Pays? Who Doesn't? And Why?* October 1996; *Property Tax Exemption and Assessment Administration in Orleans Parish*, January 2000; *The Nonprofit Margin: Addressing the Costs of the Nonprofit Exemption in New Orleans*, March 2011; and the constitutional revisions offered for nonprofit exemptions in BGR's March 2017 letter to the Louisiana State Legislature.

52 BGR, *The Nonprofit Margin: Addressing the Costs of the Nonprofit Exemption in New Orleans*, March 2011, pp. 15-16.

53 For example, BGR has urged careful application of developer incentives called payments in lieu of taxes, or PILOTs, which are discussed later in this report. For BGR's detailed guidance on PILOT policy, see BGR's April 4, 2024, letter to the New Orleans City Council to inform its review of economic development incentive programs.

54 For further discussion of these principles, see BGR, *Public Contributions to Convention Center Hotel Demand Scrutiny*, July 19, 2018, and this 2024 letter to the New Orleans City Council.

55 For insights on stormwater fees, see BGR, *Beneath the Surface: A Primer on Stormwater Fees in New Orleans*, February 2017, and *Paying for Drainage: Creating Fair, Transparent and Accountable Stormwater Funding for New Orleans*, January 2026.

56 BGR discusses transportation utility fees in *The Nonprofit Margin: Addressing the Costs of the Nonprofit Exemption in New Orleans*, March 2011, p. 13, and *Paying for Streets: Options for Funding Road Maintenance in New Orleans*, May 2017, pp. 16-17.

57 Other cities have negotiated voluntary payments to generate revenue. For example, the City of Boston, which has a high concentration of exempt property, has developed voluntary payment in lieu of taxes (PILOT) agreements with its largest nonprofit institutions. BGR found the voluntary payments would be unlikely to yield fair or significant results. If the experience of other cities is a guide, only a handful of institutions are likely to participate in such a program, and the amount generated is unlikely to have a significant fiscal impact. See BGR's analysis in *The Nonprofit Margin: Addressing the Costs of the Nonprofit Exemption in New Orleans*, March 2011, pp. 9-15.

58 BGR, *Paying for Drainage: Creating Fair, Transparent and Accountable Stormwater Funding for New Orleans*, January 2026, pp. 26-28.

59 See BGR, *Property Taxes in New Orleans: Who Pays? Who Doesn't? And Why?* October 1996, p. 22; *Property Tax Exemption and Assessment Administration in Orleans Parish*, January 2000, pp. 71-72; and *The Nonprofit Margin: Addressing the Costs of the Nonprofit Exemption in New Orleans*, March 2011, p. 17.

60 In 2025, the Orleans Parish assessor reported $5.65 billion of taxable assessed value, consisting of $4.74 billion in real estate, $0.75 billion in personal property, and $0.16 billion in public service property. Orleans Parish Assessor, *Facts and Stats 2025*.

61 Orleans Parish Assessor's Office, 2025 *Fact Sheet for Orleans Parish*, accessed August 17, 2026 at https://www.nolaassessor.com/facts-stats/.

62 The exempt parcel "5736901-INDUSTRIALCANA"

can be found at tax bill number 39W955001. In 2025, it had a total assessed value of $374.2 million and land area of 1,756,513,440 square feet. This parcel record dates to at least 2011. The other parcel had a total 2025 assessed value of $347.2 million and a listed land area of just 1 square foot. This exempt parcel "574240-INDUSTRIALCANAL" can be found at tax bill number 39W9555196. It was added to the exempt roll sometime between 2011 and 2020.

63 See parcel 5736901-INDUSTRIALCANA in the assessor's records, accessed October 2, 2026.

64 See parcel 574240-INDUSTRIALCANAL in the assessor's records, accessed October 2, 2026.

65 BGR, *Assessing the Assessor: Progress on Property Assessment Reform in New Orleans*, November 2019.

66 BGR estimates the growth rate for taxable real estate assessed value averaged 5.7% a year from 1995 to 2004, and 5.6% in the single-assessor era. For additional historical perspective, see BGR, *In All Fairness: Building a Model Assessment System in New Orleans*, December 2009, and *Assessing the Assessor: Progress on Property Assessment Reform in New Orleans*, November 2019.

67 BGR, *Property Taxes in New Orleans: Who Pays? Who Doesn't? And Why?*, October 1996.

68 BGR, *The Nonprofit Margin: Addressing the Costs of the Nonprofit Exemption in New Orleans*, March 2011.

69 This was the last assessment immediately before the onset of the COVID-19 pandemic.

70 For discussion of the single assessor's administration of exempt property, see BGR, *Assessing the Assessor*, pp. 35-36.

71 BGR calculated average annual growth rates of 5.6% for taxable real estate assessed value and 5.4% for exempt real estate assessed value in the 2011 to 2025 period.

72 Glesby, Laura, "56.79% of City Real Estate Now Tax-Exempt," *New Haven Independent*, March 11, 2025.

73 Boston Municipal Research Bureau, *Boston's Tax-Exempt Property Snapshot*, July 2018.

74 Maciag, Mike, "Tax-Exempt Properties Rise as Cities Cope with Shrinking Tax Bases," *Governing.com*, October 25, 2012.

75 Kenyon, Daphne A., and Adam H. Langley, *Payments in Lieu of Taxes: Balancing Municipal and Nonprofit Interests, prepared for the Lincoln Institute of Land Policy*, 2010, p. 18. The report cited a 2006 review that took into consideration differences in the quality of assessment practices.

76 BGR estimated the developed land area based on its measurements using the assessor's online mapping tools and excluding the Bayou Sauvage National Wildlife Refuge, other marshland and bodies of water. This calculation excludes the erroneous land area of the two Industrial Canal parcels discussed earlier in this report.

77 Econsult Solutions, Inc., *Tulane's Impact on Economic Growth*, prepared for Tulane University, 2023 (analyzing FY 2023 data), accessed online at https://impact.tulane.edu

78 Ochsner Health, *2025 Community Benefit Report*.

79 The future medical school is a nonprofit subsidiary of Xavier University of Louisiana, developed in partnership with Ochsner Health.

80 BGR estimated that the elimination of the homestead exemption would allow for a reduction of 9.65 mills on the 2025 total millage rate of 131.99 mills on New Orleans' East Bank. The reduction would hold local tax revenue constant. A home valued at $1 million would see a tax savings of just $61, meaning that almost all lower-value homes would pay more in property taxes.

81 When property assessments grow, the Louisiana Constitution requires taxing authorities to "roll back," or reduce, the millage rates to maintain the same amount of tax revenue. However, the constitution then allows them to "roll forward," or increase, millage rates following a public hearing and a two-thirds majority vote, reaping the benefit of the tax base growth.

82 La. R.S. 33:4078.

83 These are the New Orleans Building Corp. (NOBC) and the French Market Corp. The NOBC properties consist of the Saenger Theatre and the former D.H. Holmes department store on Canal Street, which has been redeveloped into a hotel, apartment complex, and associated parking garage. NOBC is the landlord for other City properties that are leased to commercial businesses, such as Caesars New Orleans Casino and the Four Seasons Hotel New Orleans. The privately-owned tenant leasehold improvements and furniture, fixtures and equipment at these properties are subject to property tax. The City also owned two properties, totaling $102,500 in exempt assessed value, through the Municipal Yacht Harbor Management Corporation.

84 In 1884, the Louisiana Legislature established Tulane University and granted it a special exemption for $5 million worth of property not exempted under other constitutional provisions. La. Const. Art. 8, Sec. 14. The university and the assessor jointly determine how to allocate this exemption among the university's property, according to rules established by the Tax Commission. The university prepares an allocation report for the Tax Commission, which then issues change orders to apply the exemption to the assessments of the identified properties. This $5 million is fixed in the constitution and refers to fair market value, so it covers only a tiny fraction of the university's property today. After applying the assessment percentages (10% of land value and 15% of building value), the exemption covered about $545,000 of assessed value on 12 properties in 2020. Based on information in Tulane University's *First Amended Allocation Report for 2020 Tax Year* and Louisiana Tax Commission change orders for the 2020 tax year approved on April 8, 2020.

85 Ochsner Health told BGR that a large portion of its Orleans Parish properties are leased rather than owned, including office space at Benson Tower and other urgent care and clinic locations. Those properties remain on the tax rolls, and Ochsner is ultimately responsible for property taxes on them through its leases.

86 Verified Statement of the Apostolates under Bankruptcy Rule 2019, *In Re: The Roman Catholic Church of the Archdiocese of New Orleans*, Case No. 20-10846-MSG (U.S. Bankruptcy Court, E.D. La., 5/4/2020).

87 Riegel, Stephanie, "Archdiocese of New Orleans plans sales of vast real estate holdings to pay abuse claims," *The Times-Picayune | Nola.com*, September 1, 2023, and "Archdiocese of New Orleans sells Christopher Homes apartments to Tredway for $152 million," *The Times-Picayune | Nola.com*, March 23, 2026.

88 BGR included properties that are part of Xavier University but listed on the exempt roll as owned by the Sisters of the Blessed Sacrament, the religious order that founded the university.

89 Louisiana Tax Commission, *2024 Annual Report* (2025 Orleans Parish).

90 BGR obtained the historical homestead exemption data for each parish from the Louisiana Tax Commission's Biennial and Annual Reports.

91 BGR, *Property Taxes in New Orleans*, p. 1.

92 Rusk, David, *The New Regionalism: Planning Together to Reshape New Orleans' Future*, prepared for the Regional Cooperation Fund of the Greater New Orleans Foundation and published in *The Times-Picayune*, September 8, 1999, p. 5.

93 BGR, *Property Taxes in New Orleans*, p. i. The Rusk report found Louisiana's property tax exemptions to be the most generous nationally in 1991. "Louisiana's record high level of tax exemptions reflects deliberate choices made by the people's elected representatives. However, those choices place limits on investment in better schools, roads, and other public infrastructure that could support a higher rate of economic growth." Rusk, p. 5.

94 Louisiana Tax Commission, *Twenty-Seventh Biennial Report, 1994-1995* (1995-1996 Orleans Parish), Table 44, p. 142.

95 BGR, *Property Taxes in New Orleans*, p. 14.

96 BGR, *Unfair Assessments, Excessive Exemptions: How New Orleans' Property Tax System Hurts Government and Taxpayers*, May 2005, and *BGR Reports: Unfair Assessments Become More Unfair and Arbitrary*, January 26, 2006.

97 BGR, *The Nonprofit Margin: Addressing the Costs of the Nonprofit Exemption in New Orleans*, March 2011, pp. 1-2. BGR now adjusts the 43% exempt real estate assessed value it reported for 2011 to 37% by removing the erroneous $374 million Industrial Canal parcel that was included in the 2011 exempt roll. The assessor's office added the second erroneous parcel, with an assessed value of $347 million, to the exempt roll sometime after 2011.