

# Publications

## The Evaluator – Winter 2025: Nationwide Valuation Headlines

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### AUTHORED ARTICLE | Winter 2025

By: Megan Knox

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## Affordable Apartment Units Not Eligible for Louisiana’s Public Purpose Exemption

*Filmore Parc Apartments II v. Norman White, et al.*, Case No. 2024-CA-0475 (La. App. 4 Cir. 2/14/2025).

Last month, a Louisiana appellate court determined that an apartment complex’s affordable housing units were not eligible for the state’s property tax exemption because the property owner failed to show that the units were “dedicated solely to a public purpose.”

Louisiana’s public purpose exemption has been extended only to certain affordable housing units in limited circumstances. In *Filmore Parc*, the owner of an affordable housing apartment complex argued that 32 of its units were subject to Louisiana’s public purpose exemption. The owner claimed that these units, which were all subject to Section 8 project-based vouchers (the “PBV Units”), were used for a public purpose and, therefore, qualified for exemption.

Specifically, the exemption can only be granted to restricted units when the revenue from those units is used solely for their maintenance and operation. Because the owner in *Filmore Parc* did not maintain a separate account for the PBV Units, it was impossible for the owner to show that the revenue was used solely for those units. As a result, the owner failed to prove that those units were entitled to the public purpose exemption.

## Utah Court of Appeals Affirms Collective \$52MM Valuation for Trio of Walmart Stores

*Walmart Real Estate Business Trust, et al. v. Utah State Tax Commission*, 2025 UT App 28, Opinion No. 20220655-CA (Utah Ct. App. 2025).

The Utah Court of Appeals recently affirmed the collective valuation of three retail stores located in Salt Lake County. In an appeal relating to the tax year 2016 assessments of two Walmart Supercenters and a Sam's Club, Walmart argued that, in upholding the Tax Commission's ruling, the district court failed to conduct a de novo review of the case and applied an incorrect definition of fair market value.

Following an eight-day trial, the district court sided with the valuation the Tax Commission presented. Walmart argued that, in doing so, the court failed to conduct a de novo review of the case. However, the Court of Appeals determined that both sides were able to present new evidence to support their valuations at the trial and that the district court did not give deference to the Commission's findings. Ultimately, the Court of Appeals found that the district court correctly reviewed the new evidence presented and evaluated the case appropriately.

Walmart also argued that the district court had improperly interpreted the definition of fair market value because it had taken a property-specific approach that considered the properties' current uses. However, the Court of Appeals determined that the district court's consideration of the "uniqueness" of the properties was acceptable, finding that the district court's analysis involved a thorough effort to examine the properties and arrive at a fair valuation. Ultimately, the Court of Appeals rejected all of Walmart's arguments and upheld the collective valuations for the three retail stores.

## Tennessee Attorney General Clarifies Limitations on Property Reassessments Outside of Reappraisal Schedule

In an opinion from March 4, the Tennessee Attorney General outlined general guidelines for assessors for reassessing certain real property outside the statutorily prescribed reappraisal schedule and clarified when such reassessments are warranted. In the Opinion, the Attorney General confirmed that not all changes to real property, including miscellaneous construction or "mere repairs" such as remodeling, replacing a roof or upgrading an HVAC to an existing structure would warrant a reassessment outside of the reappraisal schedule. Instead, only improvements that "enhance the property's value, beauty or utility, or adapt it for new purposes," like converting a carport to a garage or building an in-law apartment, would constitute new improvements that should be reassessed. If such an improvement or new building is completed and ready for use or occupancy between January 1 and September 1 of any tax year, the assessor should make a new assessment or issue a corrected assessment based on the value of the improvements at the time of its completion. In doing so, the assessor should value the improvement as similar improvements would have been valued during the last revaluation last year. The Attorney General clarified that assessors are only permitted to value the new improvement itself and are not authorized to revalue or reappraise the property as a whole.