SLS 17RS-171 **ORIGINAL**

2017 Regular Session

SENATE BILL NO. 26

BY SENATOR MORRELL

TAX EXEMPTIONS. Constitutional amendment to prohibit contracts under the industrial property tax exemption program from exempting millages related to school funding. (2/3 - CA13s1(A))

A JOINT RESOLUTION

Proposing to amend Article VII, Section 21(F) of the Constitution of Louisiana, relative to the industrial property tax exemption; to prohibit contracts pursuant to the industrial property tax exemption program from providing an exemption from school board taxes; and to specify an election for submission of the proposition to electors and provide a ballot proposition.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state, for their approval or rejection in the manner provided by law, a proposal to amend Article VII, Section 21(F) of the Constitution of Louisiana, to read as follows:

§21. Other Property Exemptions

Section 21. In addition to the homestead exemption provided for in Section 20 of this Article, the following property and no other shall be exempt from ad valorem taxation:

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(F)**(1)** Notwithstanding any contrary provision of this Section, the State Board of Commerce and Industry or its successor, with the approval of the governor,

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may enter into contracts for the exemption from ad valorem taxes of a new manufacturing establishment or an addition to an existing manufacturing establishment, on such terms and conditions as the board, with the approval of the governor, deems in the best interest of the state.

(2) The exemption shall be for an initial term of no more than five calendar years, and may be renewed for an additional five years. All property exempted shall be listed on the assessment rolls and submitted to the Louisiana Tax Commission or its successor, but no taxes shall be collected thereon during the period of exemption.

(3) The terms "manufacturing establishment" and "addition" as used herein mean a new plant or establishment or an addition or additions to any existing plant or establishment which engages in the business of working raw materials into wares suitable for use or which gives new shapes, qualities or combinations to matter which already has gone through some artificial process.

(4) Beginning on January 1, 2019, no new contract or contract renewal entered into pursuant to this Paragraph shall provide for any exemption of any portion of ad valorem taxes dedicated to, levied by, or levied on behalf of a city, parish, or other local public school board.

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Section 2. Be it further resolved that this proposed amendment shall be submitted to the electors of the state of Louisiana at the statewide election to be held on November 6, 2018.

Section 3. Be it further resolved that on the official ballot to be used at said election there shall be printed a proposition, upon which the electors of the state shall be permitted to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as follows:

Do you support an amendment to prohibit the State Board of Commerce and Industry from entering into contracts that exempt manufacturers from paying school taxes?

(Amends Article VII, Section 21(F))

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

DIGEST

SB 26 Original 2017 Regular Session Morrell

Present constitution authorizes the State Board of Commerce and Industry, with gubernatorial approval, to enter into contracts to exempt new and expanding manufacturing facilities from ad valorem taxation.

Proposed constitutional amendment retains the ability of the board to enter into contracts to exempt certain manufacturing facilities from certain ad valorem taxes.

Proposed constitutional amendment beginning January 1, 2019, prohibits the board from exempting a manufacturing facility under a new contract or contract renewal from the payment of ad valorem taxes imposed by or on behalf of a city, parish, or other local public school board.

Specifies submission of the amendment to the voters at the statewide election to be held on November 6, 2018.

(Amends Const. Art. VII, Sec. 21(F))

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