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## DIGEST

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HB 206 Original

2017 Regular Session

Carmody

**Abstract:** Establishes a program for the consideration and approval of exemption contracts for the ad valorem tax exemption for certain manufacturing establishments (ITEP).

Present constitution authorizes an ad valorem tax exemption for capital additions and expansions to manufacturing plants. The exemption is effectuated through a contract between the property owner and the state, as such contract is approved by the Board of Commerce and Industry and the governor.

Proposed law establishes a program for purposes of the ad valorem tax exemption authorized for the property of certain manufacturing establishments as provided for in the constitution, to be administered by the Board of Commerce and Industry (board).

Proposed law requires the board to establish eligibility requirements for applicants for the exemption, which requirements may include provisions concerning expectations for returns on investment for purposes of foregone ad valorem tax revenue.

Proposed law requires that the board review applications for the exemption and render its recommendation concerning each application, either to recommend or reject the application. If an application is recommended by the board, the board shall develop a proposed exemption contract to effectuate the exemption should it receive final approval.

Proposed law provides that applications that are recommended for approval by the board shall be submitted to the governing authority of the parish in which the applicant's property for which the exemption is sought is located, referred to in proposed law as "parish authority".

Proposed law provides that each application presented to a parish authority shall be either approved or denied, as evidenced by the adoption of a resolution, within 30 days of receipt of the application. Proposed exemption contracts may be revised as requested by the parish authority.

Proposed law requires that the parish authority furnish to the board a copy of any resolution it adopts to approve an exemption, as well as any requirements for revision of the proposed exemption contract. Upon receipt of a resolution and any exemption contract revisions, the board is required to prepare the final exemption contract along with a cooperative endeavor agreement to be executed by the state and the applicant, if the application receives final approval by the governor.

Proposed law authorizes rulemaking by the board for purposes of proposed law and specifies that

for purposes of the Administrative Procedure Act, the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs shall serve as oversight committees.

Effective if and when the proposed amendment of Article VII, Section 21(F) of the Constitution of La. contained in the Act which originated as House Bill No. \_\_\_\_\_ of this 2017 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Adds R.S. 47:1713)