

GREEN SHEET REDIGEST

HB 445

2017 Regular Session

Seabaugh

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

**TAX/AD VALOREM TAX: Authorizes and provides for cooperative endeavor agreements between local governmental subdivisions and other entities that may require payments in lieu of ad valorem taxes**

DIGEST

HB 445 Reengrossed

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Present law provides that certain property shall be exempt from ad valorem taxation.

Proposed law retains present law and makes provisions relative to the exemption from ad valorem taxes of construction work in progress.

Proposed law provides that "complete" shall mean when construction is finished to the extent that the project can be used or occupied for its intended purpose.

Proposed law provides that an exemption shall not apply to any of the following:

1. Any portion of a construction project that is complete, available for use, or operational on the date the property is assessed.
2. For projects constructed in two or more distinct phases, any phase of the construction project that is complete and operational on the date the property is assessed.
3. Any public service property, unless the public service property is otherwise eligible for an ad valorem exemption provided by any other provision of the Constitution of Louisiana.

Proposed law directs the Louisiana State Law Institute to redesignate the reference to Article VII, Section 21(N) of the Constitution of La. contained in the provisions of proposed law to comport with Senate Bill No. 140 of the 2017 R.S. if it is adopted at a statewide election and becomes effective.

Effective if and when Senate Bill No. 140 of this 2017 R.S. is enacted and becomes effective.

(Adds R.S. 47:1713)

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Limit eligibility for the exemption to either the property of a manufacturing establishment that qualifies for the industrial tax exemption, or a property that is subject to a cooperative endeavor agreement that has been approved by the JLCB.
2. Prohibit a manufacturing establishment that has a contract for the industrial tax exemption to be eligible for the exemption, unless it is within the first two years of industrial tax exemption contract.
3. Limit the exemption to the amount agreed upon in the cooperative endeavor agreement.

4. Add a requirement that exempt properties be listed on the assessment rolls. Further require information concerning those properties be submitted to the La. Tax Commission.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the reengrossed bill

1. Deletes provisions in proposed law that would have authorized any local taxing authority to enter into a cooperative endeavor agreement with a property owner that requires payments in lieu of ad valorem taxes imposed by that local authority.
2. Adds provisions relative to the exemption from ad valorem taxes of construction work in progress.