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**HOUSE FLOOR AMENDMENTS**

2019 Regular Session

Amendments proposed by Representative Edmonds to Engrossed House Concurrent Resolution No. 3 by Representative Edmonds

1 AMENDMENT NO. 1

2 On page 1, line 2, after "in" delete the remainder of the line in its entirety and insert "LAC  
3 13:I.502, 503(E), (F), and"

4 AMENDMENT NO. 2

5 On page 1, line 15, after "2018," and before "Louisiana" delete "the"

6 AMENDMENT NO. 3

7 On page 2, at the beginning of line 18, delete "13:I.503(E)(4), and (H)," and insert "13:I.502,  
8 503(E), (F), and (H),"

9 AMENDMENT NO. 4

10 On page 2, between lines 19 and 20, insert the following:

11       "§502. Definitions

12                   *Addition to a Manufacturing Establishment -*

13                   1. a. a capital expenditure for property that would meet the standard of a new  
14 manufacturing establishment if the addition were treated as a stand-alone  
15 establishment;

16                   b. a capital expenditure for property that is directly related to the  
17 manufacturing operations of an existing manufacturing establishment; or

18                   c. an installation or physical change made to a manufacturing establishment  
19 that increases its value, utility or competitiveness;

20                   2. maintenance capital, required environmental capital upgrades, and  
21 replacement parts, except those replacements required in the rehabilitation or  
22 restoration of an establishment, to conserve as nearly, and as long as possible,  
23 original condition, shall not qualify as an addition to a manufacturing establishment;

24                   3. expenses associated with the rehabilitation or restoration of an  
25 establishment as provided for in §511 shall be included as an addition to a  
26 manufacturing establishment.

27                   *Beginning of Construction* - the first day on which foundations are started or,  
28 where foundations are unnecessary, the first day on which installations of the  
29 manufacturing establishment begins.

30                   *Board* - Board of Commerce and Industry.

1            *Capital Expenditure* - the cost associated with a new manufacturing  
2 establishment or an addition to an existing manufacturing establishment, including  
3 purchasing or improving real property and tangible personal property, whose useful  
4 life exceeds one year and which is used in the conduct of business.

5            *Department* - Louisiana Department of Economic Development.

6            *Establishment* - an economic unit at a single physical location.

7            *Exhibit A* - a fully executed agreement between the department and the  
8 applicant specifying the terms and conditions of the granting of the exemption  
9 contract

10           *Integral* - required to make whole the product being produced.

11           *Job* - positions of employment that are:

- 12           1. new (not previously existing in the state) or retained;
- 13           2. permanent (without specific term);
- 14           3. full-time (working 30 or more hours per week);
- 15           4. employed directly, by an affiliate or through contract labor;
- 16           5. construction based, specifically workers employed directly by an affiliate  
17 or through a contractor, necessary and related to the applicant's capital expenditure;
- 18           56. based at the manufacturing establishment;
- 19           67. filled by a United States citizen who is domiciled in Louisiana or who  
20 becomes domiciled in Louisiana within 60 days of employment; and
- 21           78. any other terms of employment as negotiated in the exhibit A, including  
22 a requirement that in order to qualify as a job, a basic health benefits plan is or has  
23 been offered in conjunction with the position of employment.

24           *Local Governmental Entity* - the parish governing authority, school board,  
25 sheriff, and any municipality in which the manufacturing establishment is or will be  
26 located.

27           *Maintenance Capital* - costs incurred to conserve as nearly as possible the  
28 original condition.

29           *Manufacturer* - a person or business who engages in manufacturing at a  
30 manufacturing establishment.

31           *Manufacturing* - working raw materials by means of mass or custom  
32 production, including fabrication, applying manual labor or machinery into wares  
33 suitable for use or which gives new shapes, qualities or combinations to matter which  
34 already has gone through some artificial process. The resulting products must be  
35 "suitable for use" as manufactured products that are placed into commerce for sale  
36 or sold for use as a component of another product to be placed, and placed into  
37 commerce for sale.

38           *Mega-Project* - a manufacturing establishment that provides all of the  
39 following:

1 1. 500 jobs, employed directly, only, and otherwise meeting the definition of  
2 jobs, which shall generate a minimum of \$20,000,000 in net new payroll within three  
3 years of the beginning of operations; and

4 2. a minimum of \$100,000,000 in capital expenditures.

5 *Obsolescence* - the inadequacy, disuse, outdated or non-functionality of  
6 facilities, infrastructure, equipment or product technologies due to the effects of  
7 time, decay, changing market conditions, invention and adoption of new product  
8 technologies or changing consumer demands.

9 *Qualified Disaster* -

10 1. a disaster which results from:

11 a. an act of terror directed against the United States of any of its allies; or

12 b. any military action involving the Armed Forces of the United States and  
13 resulting from violence or aggression against the United States or any of its allies (or  
14 threat thereof), but not including training exercises;

15 2. any disaster which, with respect to the area in which the manufacturing  
16 establishment is located, resulted in a subsequent determination by the president of  
17 the United States that such area warrants assistance by the federal government under  
18 the Robert T. Stafford Disaster Relief and Emergency Assistance Act;

19 3. a disaster which is determined by an applicable federal, state, or local  
20 authority (as determined by the secretary) to warrant assistance from the federal state  
21 or local government or agency of instrumentality thereof; or

22 4. any other extraordinary event that destroys or renders all or a portion of the  
23 manufacturing establishment inoperable.

24 *Rehabilitation* - the extensive renovation of a building or project that is  
25 intended to cure obsolescence or to repurpose a facility.

26 *Required Environmental Capital Upgrades* - upgrades required by any state  
27 or federal governmental agency in order to avoid fines, closures or other penalty.  
28 Environmental upgrades demonstrated to be in excess of state and federal  
29 governmental agency requirements shall not be considered required environmental  
30 capital upgrades.

31 *Restoration* - repairs to bring a building or structure to at least its original  
32 form or an improved condition.

33 *Secretary* - secretary of the Louisiana Department of Economic Development.

34 *Site* - one or more contiguous parcels of land which are under the control of  
35 the manufacturing establishment or which contains certain assets of the  
36 manufacturing establishment."

37 AMENDMENT NO. 5

38 On page 2, delete lines 22 through 29, in their entirety and insert the following:

39 "E. In order to receive the board's approval, applications with advance  
40 notifications filed after June 24, 2016, shall include an exhibit A containing the  
41 following terms and conditions:

1           1. ~~either~~ the number of jobs and payroll to be created at the project site or the  
2           number of jobs and payroll to be retained at the project site where applicable;

3           2. that the initial exemption contract shall be for a term of no more than five  
4           years and may provide for an ad valorem exemption of 80 percent, except ~~that~~ the  
5           initial exemption contract for mega projects shall be for a term of no more than five  
6           years and may provide for an ad valorem exemption of up to 93 percent;

7           3. that the applicant can apply for a renewal exemption contract, the  
8           consideration of which will be based upon the applicant's performance during the  
9           initial term of the contract and that the renewal exemption contract shall be for a  
10          term of no more than five years and may provide for an ad valorem exemption of 80  
11          percent, except ~~that~~ the renewal exemption contract for mega projects shall be for a  
12          term of no more than five years and may provide for an ad valorem exemption of up  
13          to 93 percent;

14          4. that the department, on behalf of the board, will notify the local  
15          ~~governmental entities~~ review board and the assessor when jobs and/or payroll  
16          requirements are not met in accordance with the exhibit A;

17          5. a provision addressing the penalty for failure to create the requisite number  
18          of jobs and/or payroll at the manufacturing establishment, including but not limited  
19          to, payment of stipulated sums to the taxing authorities, a reduction in the term of  
20          either the initial or renewal contract, reduction in percentage of exemption, or  
21          termination of the exemption; and

22          6. a ~~statement of report on the~~ return on investment (ROI) as determined by  
23          the secretary.

24          F.1. Applications which provide for a new manufacturing establishment or  
25          ~~which provide~~ for an addition to a manufacturing establishment with the creation of  
26          new jobs or a compelling reason for the retention of existing jobs shall be favored  
27          by the board.

28                 2. Applications which provide for a mega-project that meets the requirements  
29                 as provided in LAC 13:I.502 shall be favored by the board.

30          23. In determining whether a company has presented a compelling reason for  
31          the retention of existing jobs, the following non-exclusive situations may be  
32          considered:

33                 a. to prevent relocation to another state or country;

34                 b. to provide an advantage for investment from a company with multi-state  
35                 operations with an established competitive capital project program;

36                 c. to employ best practice or innovative, state of the art technology for the  
37                 establishment's industry which shall be deemed to extend the life of the  
38                 manufacturing establishment;

39                 d. to increase maximum capacity or efficiency;

40                 e. to provide the state a competitive advantage as determined by the secretary  
41                 or by the board; or

42                 f. upon the sharing of financial information as to the profit/loss of the facility  
43                 accompanied by evidence that the exemption will prolong the life of, and  
44                 employment at, the manufacturing establishment.

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2 AMENDMENT NO. 6

3 On page 4, between lines 10 and 11, insert the following:

4 "2.a. In parishes that have a local economic development commission or the  
5 equivalent to, the parish governing authority may allow the commission or the  
6 equivalent to work with applicants as a liaison to the local review board. In the event  
7 a parish does not have a local economic development commission or equivalent to,  
8 the local review board may appoint a liaison with appropriate qualifications.

9 b. The purpose of an applicant liaison is to facilitate an introductory and  
10 informational meeting between the applicant and the local review board. The liaison  
11 shall also assist the applicant in collecting data to be used in the application  
12 presentation to the local review board."

13 AMENDMENT NO. 7

14 On page 4, at the beginning of line 11, delete "2.a." and insert "3.a."

15 AMENDMENT NO. 8

16 On page 4, at the beginning of line 27 delete "3." and insert "4."

17 AMENDMENT NO. 9

18 On page 4, at the beginning of line 28, delete "board" and insert "boards"

19 AMENDMENT NO. 10

20 On page 5, at the beginning of line 1, delete "board" and insert "boards"

21 AMENDMENT NO. 11

22 On page 5, line 22, after "amendments to" and before "513(B)" delete "LAC 13:I.503(E)(4)  
23 and (H)," and insert "LAC 13:I.502, 503(E), (F), and (H), and"