

1 (F) Notwithstanding any contrary provision of this Section, ~~the State Board~~
 2 ~~of Commerce and Industry or its successor, with the approval of the governor, may~~
 3 ~~enter into contracts for the~~ there is hereby authorized a standard, local, and executive
 4 ~~exemption from ad valorem taxes of a new manufacturing establishment or an~~
 5 ~~addition to an existing manufacturing establishment, on such terms and conditions~~
 6 ~~as the board, with the approval of the governor, deems in the best interest of the~~
 7 ~~state:~~ for capital investment projects as follows:

8 (1) The standard exemption shall be for an initial a term of no more than five
 9 eight calendar years; and may be renewed for an additional five years shall provide
 10 for an ad valorem tax exemption of eighty percent of the property taxes of the capital
 11 investment project. The granting of a standard exemption shall be reviewed by the
 12 Board of Commerce and Industry, or its successor as provided by law, and no
 13 additional approval is required for the granting of this exemption. Enactment of any
 14 law to administer this exemption shall require a favorable vote of two-thirds of the
 15 elected members of each house of the legislature.

16 (2) The local exemption shall be for a term of no more than fifteen years and
 17 may provide for an ad valorem tax exemption of up to one hundred percent of the
 18 property taxes of the capital investment project. The granting of a local exemption
 19 shall require the approval of each political subdivision in whose district the project
 20 is to be located. Enactment of any law to administer this exemption shall require a
 21 favorable vote of two-thirds of the elected members of each house of the legislature.

22 (3) The executive exemption shall be for a term determined by the governor
 23 and may provide for an ad valorem tax exemption of up to one hundred percent of
 24 the property taxes of the capital investment project. The granting of an executive
 25 exemption shall require approval from the governor. Enactment of any law to
 26 administer this exemption shall require a favorable vote of two-thirds of the elected
 27 members of each house of the legislature.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 347 Original

2020 Regular Session

Ivey

Abstract: Establishes a standard, local, and executive property tax exemption for capital investment projects when the projects meet eligibility and approval standards pursuant to law.

Present constitution authorizes a property tax exemption (exemption) for new manufacturing establishments and additions to existing establishments for an initial term of five years, with a five year renewal. The exemption is effectuated through a contract granted by the Board of Commerce and Industry, with the approval of the governor.

Proposed constitutional amendment authorizes three ad valorem property tax exemptions for capital investment projects as follows:

- (1) A standard exemption for a term of eight calendar years for 80% of its property taxes. The exemption is subject to review by the Board of Commerce and Industry. No additional approval is required.
- (2) A local exemption for a term of no more than 15 calendar years for up to 100% of its property taxes. This exemption requires the approval of local taxing authorities as provided by law.
- (3) An executive exemption for a term determined by the governor for up to 100% of its property taxes. This exemption requires approval of the governor.

Proposed constitutional amendment also requires that any law enacted to administer any of the new exemptions requires a favorable vote of two-thirds of the elected members of each house of the legislature.

Proposed constitutional amendment retains present constitution requirement related to listing property on tax assessment rolls and deletes various definitions.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 3, 2020.

(Amends Const. Art. VII, §21(F))