

2020 Regular Session

SENATE BILL NO. 350

BY SENATOR WARD

TAX/AD VALOREM. Provides for ad valorem tax exemptions for certain property. (See Act)

1 AN ACT

2 To enact Chapter 1-A of Subtitle III of Title 47 of the Louisiana Revised Statutes of 1950,  
3 to be comprised of R.S. 47:1720 and 1721, relative to ad valorem tax; to provide for  
4 exemptions from ad valorem property taxes of certain property for capital investment  
5 projects; to provide for cooperative endeavor agreements; to provide for the terms  
6 and values of exemptions; to provide for definitions; to provide for political  
7 subdivision approval; to provide for gubernatorial approval; to provide for the  
8 consideration, approval, and granting of the exemption; to provide for effectiveness;  
9 and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. Chapter 1-A of Subtitle III of Title 47 of the Louisiana Revised Statutes  
12 of 1950, comprised of R.S. 47:1720 and 1721, is hereby enacted to read as follows:

13 **CHAPTER 1-A. AD VALOREM TAX EXEMPTIONS FOR**  
14 **CERTAIN CAPITAL INVESTMENT PROJECTS**

15 **§1720. Definitions**

16 **For the purpose of this Chapter the following words have the following**  
17 **meanings:**

1           A. "Board" shall mean the Board of Commerce and Industry.

2           B. "Department" shall mean the Department of Economic Development.

3           C. "Political subdivision" shall mean any parish governing authority,  
4 school board, sheriff, municipality, city, or special district authorized by the  
5 constitution or by law to levy an ad valorem tax.

6           §1721. Capital Investment Project Exemption

7           A. Exemptions. In accordance with Article VII, Section 21(F) of the  
8 Constitution of Louisiana, there are hereby established standard, local, and  
9 executive ad valorem tax exemptions for capital investment projects.

10          B. Standard Exemption. (1) Procedure. The board shall establish  
11 application procedures for the standard exemption in accordance with the  
12 constitution. The application for the standard exemption shall be on forms  
13 designed and prescribed by the board.

14          (2) Review. The board shall review all standard exemption applications  
15 in a timely manner and render a recommendation for each application.

16          (3) Cooperative Endeavor Agreement. Upon approval by the board, the  
17 board and the applicant with the assistance of the department, shall enter into  
18 a cooperative endeavor agreement evidencing the exemption. The cooperative  
19 endeavor agreement shall provide for an ad valorem tax exemption of eighty  
20 percent of the property taxes and for a term of eight calendar years.

21          (4) Final Approval. The board shall provide the political subdivisions a  
22 copy of any resolution adopted by the board approving a standard exemption,  
23 as well as a copy of the cooperative endeavor agreement evidencing the  
24 standard exemption.

25          C. Local Exemption. (1) Eligibility. No applicant shall be eligible for the  
26 local exemption until they have received final approval by the board for a  
27 standard exemption. Each parish shall establish eligibility requirements for the  
28 local exemption in accordance with the constitution. The application for the  
29 local exemption shall be on forms designed and prescribed by the board.

1           **(2) Application. The board shall forward an application for exemption**  
2           **to the parish governing authority in which the project will be located within**  
3           **fifteen days of approval.**

4           **(3) Review. The parish governing authority shall forward a copy of the**  
5           **application within three days of receipt to each political subdivision that levies**  
6           **a millage and in whose jurisdiction the project will be located. The department**  
7           **shall provide the parish governing authority with an analysis of the project**  
8           **applying for an exemption. When a project is located within the jurisdiction of**  
9           **multiple political subdivisions, each political subdivision shall be provided a**  
10           **copy of the application and analysis. Each political subdivision shall review the**  
11           **application in conjunction with the department's analysis and issue a resolution**  
12           **or letter, in the case of a sheriff, approving or rejecting the exemption within**  
13           **sixty days of receipt of the application from the parish governing authority. In**  
14           **reviewing the application, political subdivisions may hold a public meeting for**  
15           **the purpose of receiving public input.**

16           **(4) Cooperative Endeavor Agreement. Upon the political subdivisions'**  
17           **approval of the exemption, the political subdivisions and the applicant, with the**  
18           **assistance of the department, shall enter into a cooperative endeavor agreement**  
19           **evidencing the exemption. The cooperative endeavor agreement shall provide**  
20           **for an ad valorem tax exemption of up to one hundred percent of the property**  
21           **tax and for a term not more than fifteen years.**

22           **(5) Final Approval. The parish governing authority shall provide the**  
23           **board with a copy of the final cooperative endeavor agreement and a copy of all**  
24           **resolutions or letters approving the exemption.**

25           **D. Executive Exemption. (1) Eligibility and Application. The governor**  
26           **shall be permitted to provide an executive exemption for capital investment**  
27           **projects in accordance with the constitution.**

28           **(2) Invitation and Offer. The governor shall be permitted to offer any**  
29           **entity an executive exemption from ad valorem property taxes. The exemption**

1           may be for up to one hundred percent of the property taxes for a specific term  
 2           decided at the governor's discretion. The board shall establish procedures that  
 3           require local approval pursuant to Subsection (C) of this Section, prior to the  
 4           governor granting the executive exemption. The executive exemption shall be  
 5           evidenced by a gubernatorial executive order providing the terms and  
 6           conditions of the exemption.

7           Section 2. This Act shall take effect and become operative if and when the proposed  
 8           amendment of Article VII, Section 21(F) of the Constitution of Louisiana contained in the  
 9           Act which originated as Senate Bill No. \_\_\_\_\_ of this 2020 Regular Session of the  
 10          Legislature is adopted at a statewide election and becomes effective.

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

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## DIGEST

SB 350 Original

2020 Regular Session

Ward

Proposed law creates a standard ad valorem tax exemption for capital investment projects.

Proposed law defines the terms board, department, and political subdivision.

Proposed law establishes an application for a standard ad valorem tax exemption and requires the Board of Commerce and Industry hereinafter "board", to design and provide the application forms. Proposed law further provides that the board shall review a standard ad valorem tax exemption and upon approval by the board, the exemption applicant and the board shall enter into a cooperative endeavor agreement evidencing the exemption.

Proposed law provides that the standard ad valorem tax exemption shall exempt up to 80% of the project's property taxes for a term of 8 years.

Proposed law requires the board to provide the relevant political subdivisions with a copy of any resolution adopted by the board approving the exemption and a copy of the cooperative endeavor agreement.

Proposed law creates a local ad valorem tax exemption for capital investment projects.

Proposed law establishes an application for a local ad valorem tax exemption and requires the board, to design and provide the application forms. Proposed law further provides that to be eligible for the local exemption an application must have received final approval by the board for a standard exemption.

Proposed law requires the application for a local exemption to be forwarded to the parish governing authority of the parish in which the project is to be located, within 15 days of board approval. Within three days of receipt, the parish governing authority shall forward the application to each political subdivision that levies a millage in whose district the project will be located.

Proposed law requires the Dept. of Economic Development hereinafter "department" shall

provide the parish governing authority and all relevant political subdivisions an analysis of every proposed project requesting an exemption in the parish.

Proposed law provides within 60 days of receipt each political subdivision shall review each project application in conjunction with the department's analysis and issue a resolution, or a letter in the case of a sheriff, approving or rejecting the application. During this time political subdivisions may hold public meetings to receive public input.

Proposed law provides that if the political subdivision approves the application, the political subdivision and the applicant, with the assistance of the department, shall enter into a cooperative endeavor agreement evidencing the exemption.

Proposed law further provides that the cooperative endeavor agreement for a local exemption shall be for up to 100% of the property taxes of the project and for a term of not more than 15 years.

Proposed law requires that parish governing authority shall provide the board with a copy of the executive cooperative endeavor agreement and a copy of any resolution or letter approving the local exemption.

Proposed law creates an executive ad valorem tax exemption for capital investment projects.

Proposed law provides that the governor may offer any entity an executive exemption. The exemption may be for up to 100% of the property taxes of the project and for a specific term to be decided by the governor.

Proposed law provides that the board shall establish procedures requiring local approval prior to the governor granting the exemption.

Proposed law requires the executive exemption be evidenced by a gubernatorial executive order providing the terms and conditions of the exemption.

(Adds R.S. 47:1720 and 1721)