

## HOUSE SUMMARY OF SENATE AMENDMENTS

HCR 4

2020 Regular Session

Beaulieu

TAX/AD VALOREM-EXEMPTION: Amends rules relative to participation in the Industrial Tax Exemption Program

### Synopsis of Senate Amendments

1. Changes administrative rule language from providing local governmental entities a continuous approval process for potential industrial ad valorem tax exemption applications for projects that are within the boundaries of the parish to a continuous approval or rejection process of those applications.

### Digest of Bill as Finally Passed by Senate

Present LAC provides for various definitions and procedures related to the Industrial Ad Valorem Tax Exemption Program.

Proposed LAC retains Present LAC and creates and defines the ITEP Ready designation.

Proposed LAC defines ITEP Ready as a parish that provides continuous local governmental entity approval or rejection of all industrial ad valorem tax exemptions within the parish.

Present LAC establishes the procedures an applicant must follow to participate in the advanced notification application process. The applicant must first provide an application and application fee to the Louisiana Dept. of Economic Development (LED). LED will then provide a copy of the application to the Dept. of Revenue (LDR) for review.

Present LAC provides LED must receive a letter-of-no-objection/letter-of-approval from LDR prior to submitting the application to the Board of Commerce and Industry (board). The applicant must provide documentation proving it has met specific criteria set forth in the administrative rules to receive the board's approval.

Present LAC provides that upon the board's approval of an application, LED transmits a copy of the application to each local governmental entity and the local tax assessor.

Present LAC provides that each local governmental authority that receives a millage, the school board, and the sheriff may review the proposed ad valorem tax exemption application provided by the board and approve or deny the application.

Present LAC does not require any local governmental entity receiving a millage, the school board, or the sheriff to review a proposed ad valorem tax exemption application; however, failure to review an application after 30 days notice results in automatic local governmental entity approval.

Proposed LAC authorizes an alternative to each local governmental entity providing their approval or rejection. Establishes the alternative ITEP Ready parish designation.

Proposed LAC provides that a parish is ITEP Ready if each local governmental entity in the parish approves or rejects the designation by a majority vote at a public meeting.

Proposed LAC provides that if the local governmental entities approve the ITEP Ready designation, the parish governing authority, on behalf of all taxing authorities in the parish, will publicly declare the parish ITEP Ready by resolution.

Proposed LAC establishes that no further action evidencing local governmental entity

approval or rejection shall be required.

Proposed LAC provides that if a parish votes to be ITEP Ready the local governmental entities in the parish automatically accept or reject all industrial ad valorem tax exemption applications proposed in the parish.

Proposed LAC provides that the 30 day notice period in which local governmental entities are authorized to hold a public hearing to approve or reject an application does not apply to ITEP Ready parishes.

Proposed LAC authorizes governmental entities within an ITEP Ready parish the opportunity to change their ITEP Ready designation. The change shall be documented and provided to the board no later than Dec. 31 of any year and shall be effective for one calendar year beginning Jan. 1 of the following calendar year.

Proposed LAC applies to industrial tax exemption program applications filed on or after August 1, 2020.

(Amends LAC 13:I.502 and 503(H))