

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 318** HLS 21RS 412

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 5, 2021	6:50 PM	<b>Author:</b> DEVILLIER
<b>Dept./Agy.:</b> Economic Development / Local Governments		<b>Analyst:</b> Greg Albrecht
<b>Subject:</b> Industrial Tax Exemption Program		

TAX/AD VALOREM-MFG/EXEMP

OR NO IMPACT LF RV See Note

Page 1 of 1

(Constitutional Amendment) Provides for the ad valorem tax exemption for industrial manufacturers

Proposed law authorizes the Board of Commerce & Industry to grant ad valorem tax exemptions to new manufacturing establishments or improvements to an existing establishment, for five initial years with a five-year renewal term, for up to 80% of the tax. Defined mega-projects may be granted exemption up to 93% of the tax. The required approval of the governor is removed from the process.

Effective January 1, 2023. To be submitted to the electors at the statewide election to be held on November 8, 2022.

<b>EXPENDITURES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The Department of Economic Development will continue to administer the program under the current rules and regulations and consistent with existing executive orders, other than obtaining gubernatorial approval for the exemption contracts.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure. According to the Department of Economic Development, the bill essentially codifies current practice of the program, except for the removal of the governor's approval for the exemption contracts. In all other regards, program administration will continue under the current rules and regulations and consistent with existing executive orders.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**Christopher A. Keaton**  
**Legislative Fiscal Officer**