



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 464** HLS 21RS 183
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 20, 2021 10:32 AM **Author:** IVEY
Dept./Agy.: Economic Development / Local Governments **Analyst:** Greg Albrecht
Subject: Louisiana Capital Investment Program

TAX/AD VALOREM-EXEMPTION OR SEE FISC NOTE LF RV Page 1 of 1
 Provides for ad valorem tax exemptions for certain capital investment projects

Creates the Louisiana Capital Investment Program, administered by the Board of Commerce & Industry. The Board is to notify parish authorities of the availability and features of an capital investment exemption program. Parishes can enroll in the program, and procedures are provided for withdrawal from the program. The program is to provide three ad valorem exemption options, consistent with Article VII, Section 21(F), being proposed for amendment by HB 370 of this session. This bill provides procedures for participation by local governments in the different exemption options. Industry sectors eligible for the program are manufacturing, technology, telecommunications, healthcare, and logistics, warehousing, and distribution.

Effective upon adoption of the constitutional amendment contained in HB 370 of this session.

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

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

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The discussion below assumes that this bill is contingent upon the constitutional amendment contained in HB 370 of this session, and is the description of the exemption options provided for in that amendment and referenced by this bill.

There is no anticipated direct material effect on state government revenues as a result of this measure. However, local government ad valorem tax bases would be affected depending on which of the three options is applied by particular governing entities for particular projects.

To the extent the standard exemption is applied, local tax bases would be expanded after the eighth year of its term relative to the current total term of ten years (both the current program and the proposed program provide an 80% exemption).

To the extent the local exemption is applied, local tax bases could be expanded or reduced during its term, relative to the current program of 80% exemption for a total term of ten years, since the option allows for an exemption up to 100% and for a term of no more than fifteen years.

To the extent the executive exemption is applied, local tax bases could be expanded or reduced during its term, relative to the current program of 80% exemption for a total term of ten years, since the option allows for an exemption up to 100% and for a term determined by the governor.

The amendment also removes the definition of "manufacturing establishment" and "addition" from the Constitution, and references "capital investment projects". This statutory bill expands the investments eligible for the ad valorem exemptions provided in the constitutional amendment. Investments in the following industry sectors would be eligible: manufacturing, technology, telecommunications, healthcare, and logistics, warehousing, and distribution. This materially expands the amount of potentially exempt tax base.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}


Christopher A. Keaton
Legislative Fiscal Officer