

1 may enter into contracts for the exemption from ad valorem taxes of a new
2 manufacturing establishment or an addition to an existing manufacturing
3 establishment, on such terms and conditions as the board, with the approval of the
4 governor, deems in the best interest of the state. ~~The~~

5 **(2) Except as provided for in Subparagraph (3) of this Paragraph, the**
6 exemption shall be for an initial term of no more than five calendar years, and may
7 be renewed for an additional five years. All property exempted shall be listed on the
8 assessment rolls and submitted to the Louisiana Tax Commission or its successor,
9 but no taxes shall be collected thereon during the period of exemption.

10 **(3) Notwithstanding provisions of Subparagraph (2) of this Paragraph,**
11 **beginning for Tax Year 2016, an exemption originally granted before January**
12 **1, 2017, shall hereby be reduced so that it exempts sixty percent of the property**
13 **originally exempted and the term of such exemption shall hereby be extended**
14 **for two years from the term originally granted. A renewal of such exemption**
15 **shall be subject to the same exemption reduction and term extension. Ad**
16 **valorem taxes may be assessed and collected on the property no longer**
17 **exempted.**

18 **(4)** The terms "manufacturing establishment" and "addition" as used herein
19 mean a new plant or establishment or an addition or additions to any existing plant
20 or establishment which engages in the business of working raw materials into wares
21 suitable for use or which gives new shapes, qualities or combinations to matter which
22 already has gone through some artificial process.

23 Section 2. Be it further resolved that the provisions of this proposed amendment shall
24 be retroactive to the extent that, for the Tax Year 2016 only, notwithstanding any other law
25 to the contrary requiring the assessment and collection of ad valorem taxes by an earlier date,
26 an assessor may assess property which was exempt prior to this proposed amendment
27 according to this proposed amendment's terms at any time prior to July 1, 2016, and ad
28 valorem taxes may be collected upon such property for that tax year.

29 Section 3. Be it further resolved that this proposed amendment shall be submitted to

1 the electors of the state of Louisiana at the statewide election to be held on October 24, 2015.

2 Section 4. Be it further resolved that on the official ballot to be used at said election
3 there shall be printed a proposition, upon which the electors of the state shall be permitted
4 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
5 follows:

6 Do you support an amendment to require a 10-year property tax exemption
7 originally granted before January 1, 2017, to a manufacturing establishment
8 to be reduced so that it exempts only sixty percent of the property originally
9 exempted but requires the term of the exemption to be extended for two years
10 from the term originally granted?

11 (Amends Article VII, Section 21(F))

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

DIGEST

SB 125 Original 2015 Regular Session Adley

Present constitution authorizes the State Board of Commerce and Industry, with approval of the governor, to enter into contracts for the exemption from ad valorem taxes of "new manufacturing establishments" and "additions to existing manufacturing establishments". The exemption must be for an initial term of no more than five years and may be renewed for an additional five years.

Proposed constitutional amendment, beginning for Tax Year 2016, requires an exemption originally granted before January 1, 2017, to be reduced so that it exempts 60% of the property originally exempted and requires the term of the exemption to be extended for two years from the term originally granted. The renewal of such exemption is subject to the same exemption reduction and term extension.

Proposed constitutional amendment specifically authorizes assessors for the Tax Year 2016 only to assess property which was exempt prior to the proposed constitutional amendment according to its terms by July 1, 2016, notwithstanding any other law to the contrary requiring the assessment and collection of ad valorem taxes by an earlier date, and allows ad valorem property taxes to be collected upon such property for that tax year.

Specifies submission of the amendment to the voters at the statewide election to be held on October 24, 2015.

(Amends Const. Art. VII, Sec. 21(F))