

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

SB 140 Reengrossed

2017 Regular Session

Walsworth

Present constitution provides that certain property is exempt from ad valorem taxation.

Proposed constitutional amendment exempts all property delivered to a construction project site when the property is for the purpose of being incorporated into the construction project as a component part. The exemption is effective until the construction project is complete.

Proposed constitutional amendment deems a project "complete" when all of the following occur:

- (1) Project testing and commissioning.
- (2) A certificate of occupancy has been issued, if required.
- (3) All applicable regulatory testing and final inspection have been passed.
- (4) Ownership and control of the property have been transferred from the contractor to the owner.

Proposed constitutional amendment provides the following exceptions to the exemption:

- (1) Any portion of a construction project that is complete, available for use, or operational on the date the property is assessed.
- (2) For projects constructed in two or more distinct phases, any phase of a project that is complete and operational on the date the property is assessed.
- (3) Public service properties, unless the public service property is eligible to receive an exemption pursuant to present constitution.

Provides for submission of the proposed amendment to the voters at the statewide election to be held on Oct. 14, 2017.

(Adds Art. VII, §21(N))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Removes property subject to a cooperative agreement from the exemption.
2. Adds to the list of properties exempt from ad valorem taxation certain properties delivered in a construction project.
3. Provides for the election dates for the proposed amendment.

Senate Floor Amendments to engrossed bill

1. Adds the definition of "complete".
2. Adds certain exceptions to the property exempt from ad valorem taxation.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the reengrossed bill:

1. Clarify that the exemption applies to property that will become a component part of the project for which the property has been delivered.
2. Change the definition of "complete".
3. Delete the provisions relative to the November 6, 2018 election.
4. Make technical changes.