

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



Fiscal Note On: **HCR 3** HLS 19RS 324

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 28, 2019 3:32 PM	<b>Author:</b> EDMONDS
<b>Dept./Agy.:</b> LA Dept. of Economic Development	<b>Analyst:</b> Zachary Rau
<b>Subject:</b> Creates Local Board Process for ITEP Review & Approval	

TAX/AD VALOREM-EXEMPTION OR SEE FISC NOTE LF RV Page 1 of 1  
Amends Department of Economic Development rules relative to local approval for the Industrial Ad Valorem Tax Exemption Program

Present administrative code (LAC) provides that local governmental entities (LGEs) receiving millages, school boards, and sheriffs may review ad valorem tax exemption applications from the Industrial Tax Exemption Program (ITEP) provided by the Board of Commerce and Industry (C&I Board). Proposed LAC provides for each parish to create a local review board for reviewing ITEP applications in a given area consisting of the parish president/chief executive, parish sheriff, and president of the parish school board. Present LAC provides for transmission of approved ITEP applications from the C&I Board to local governmental entities and does not require the LGEs to review applications for approval with submitted applications receiving automatic renewal after 30 days. Proposed LAC for transmission of ITEP applications from the C&I Board to the local review board and requires the local review board to review all ITEP applications with 60 days and that all applications require a majority vote for approval. Proposed LAC requires local review boards to establish approval or denial guidelines within 30 days of proposed LAC becoming effective, and requires the local review board to post these guidelines on the parish website. Proposed LAC incorporates references for the local review board into present LAC.

<b>EXPENDITURES</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

  

<b>REVENUES</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>5 -YEAR TOTAL</b>
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Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Local governmental entities may incur marginal expenses associated with local review boards establishing guidelines for approval or denial of Industrial Tax Exemption Program (ITEP) credits and posting them on parish websites.

**REVENUE EXPLANATION**

Proposed administrative code amends the current process for local governmental approval of Industrial Tax Exemption Program (ITEP) credits. Effects of the amended local approval process are speculative regarding how it will affect the ITEP approval process, and if it will allow for more or less credits to be approved or denied by local governmental entities in the aggregate.

Senate      Dual Referral Rules  
 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}

**John D. Carpenter**  
**Legislative Fiscal Officer**