

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

5 (1) The standard exemption shall be for an initial a term of no more than five
6 seven calendar years, and may be renewed for an additional five years. and shall
7 provide for an ad valorem tax exemption of eighty percent of the property taxes of
8 the manufacturing establishment or an addition to an existing manufacturing
9 establishment. The granting of a standard exemption shall be approved by the Board
10 of Commerce and Industry, or its successor. No additional approval is required for
11 the granting of this exemption, however the legislature may provide for the
12 administration of this exemption in law, subject to a favorable vote of two-thirds of
13 the elected members of each house of the legislature.

14 (2) The non-standard exemption shall be for a term greater than seven
15 calendar years and shall provide for an ad valorem tax exemption greater than eighty
16 percent of the property tax of the manufacturing establishment or an addition to an
17 existing manufacturing establishment. The granting of a non-standard exemption
18 shall be approved by the governor and the House Ways and Means Committee and
19 the Senate Revenue and Fiscal Affairs Committee.

20 (3) All applicants seeking an ad valorem tax exemption under this Paragraph
21 shall qualify for the standard exemption. Only upon invitation by the governor shall
22 an applicant be eligible to apply for the non-standard ad valorem tax exemption.

23 (4) All property exempted shall be listed on the assessment rolls and
24 submitted to the Louisiana Tax Commission or its successor, but no taxes shall be
25 collected thereon during the period of exemption.

26 (5) The terms "manufacturing establishment" and "addition" as used herein
27 mean a new plant or establishment or an addition or additions to any existing plant
28 or establishment which engages in the business of working raw materials into wares
29 suitable for use or which gives new shapes, qualities or combinations to matter which
30 already has gone through some artificial process.

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2 Section 2. Be it further resolved that this proposed amendment shall be submitted
3 to the electors of the state of Louisiana at the statewide election to be held on October 12,
4 2019.

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

9 Do you support an amendment to authorize ad valorem property tax
10 exemptions for certain new manufacturing establishments or additions to
11 such establishments and to provide for the approval, terms, and amounts of
12 the exemptions? (Amends Article VII, Section 21(F))

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)]

HB 440 Engrossed 2019 Regular Session Ivey

Abstract: Establishes a standard and a non-standard property tax exemption for manufacturing establishments and additions to manufacturing establishments. A standard property tax exemption exempts 80% of a property from ad valorem taxes for a term of 7 years and a non-standard property tax exemption exempts a property from more than 80% of property taxes for a term of longer than 7 years.

Present constitution authorizes a property tax exemption (hereinafter "exemption") for new manufacturing establishments and miscellaneous additions to existing establishments for an initial term of five years, with a five year renewal. The exemption is effectuated through a contract granted by the Board of Commerce and Industry, with the approval of the governor.

Proposed constitutional amendment authorizes two ad valorem property tax exemptions for new manufacturing establishments and additions to existing manufacturing establishments as follows:

- (1) A standard exemption for a term of 7 years which exempts a property from 80% of its property taxes. The standard exemption is subject to approval by the Board of Commerce and Industry.
- (2) A non-standard exemption for a term of longer than 7 years which exempts a property from more than 80% of its property taxes. The non-standard exemption is only available to applicants if offered by the governor and is subject to approval by the governor and the House Ways and Means and Senate Revenue and Fiscal Affairs committees.

Proposed constitutional amendment retains present law related to listing property on tax assessment rolls and various definitions.

Provides for submission of the proposed amendment to the voters at the statewide election to be held October 12, 2019.

(Amends Art. VII, §21(F))

Summary of Amendments Adopted by House

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

1. Change the non-standard exemption approval from the governor to approval of the governor *and* the House Ways and Means and Senate Revenue and Fiscal Affairs committees.
2. Make technical changes.