

2019 Regular Session

HOUSE BILL NO. 76

BY REPRESENTATIVE ABRAHAM

TAX/AD VALOREM-EXEMPTION: (Constitutional Amendment) Establishes an ad valorem tax exemption for property subject to a cooperative endeavor agreement requiring the property owner to make payments in lieu of taxes

1 A JOINT RESOLUTION

2 Proposing to add Article VII, Section 21(O) of the Constitution of Louisiana, to provide for
3 ad valorem property tax exemptions; to establish an exemption for certain property
4 subject to a cooperative endeavor agreement requiring payments in lieu of taxes; to
5 provide for requirements and limitations; to provide for submission of the proposed
6 amendment to the electors; and to provide for related matters.

7 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
8 elected to each house concurring, that there shall be submitted to the electors of the state of
9 Louisiana, for their approval or rejection in the manner provided by law, a proposal to add
10 Article VII, Section 21(O) of the Constitution of Louisiana, to read as follows:

11 §21. Other Property Exemptions

12 Section 21. In addition to the homestead exemption provided for in Section
13 20 of this Article, the following property and no other shall be exempt from ad
14 valorem taxation:

15 * * *

16 (O) Property that is subject to a cooperative endeavor agreement, as provided
17 by law and this constitution, between the owner and one or more taxing authorities
18 which agreement requires the property owner to make payments in lieu of taxes as
19 provided by law. Property eligible for this exemption shall be limited to property of

1 a new manufacturing establishment or an addition to an existing manufacturing
2 establishment.

3 (1) The exemption authorized under this Paragraph shall be to the extent
4 agreed to and provided for in the cooperative endeavor agreement. All property
5 exempted shall be listed on the assessment rolls and submitted to the Louisiana Tax
6 Commission.

7 (2) Except as otherwise provided herein, property that has been subject to a
8 contract of exemption as provided in Paragraph (F) of this Section shall be ineligible
9 for the exemption authorized under this Paragraph. Notwithstanding the foregoing,
10 an ad valorem taxing authority may negotiate and enter into a cooperative endeavor
11 agreement with a property owner for payments in lieu of ad valorem taxes during the
12 first four years of a contract of exemption allowed by Paragraph (F) of this Section
13 as provided by law.

14 (3) The terms "manufacturing establishment" and "addition" shall have the
15 same meanings ascribed to them in Paragraph (F) of this Section.

16 Section 2. Be it further resolved that this proposed amendment shall be submitted
17 to the electors of the state of Louisiana at the statewide election to be held on October 12,
18 2019.

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

23 Do you support an amendment to grant a property tax exemption for property
24 that is subject to an agreement with local government allowing the property
25 owner to make payments instead of property taxes? (Adds Article VII,
26 Section 21(O))

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 76 Engrossed

2019 Regular Session

Abraham

Abstract: Establishes an ad valorem tax exemption for property that is subject to a cooperative endeavor agreement that requires the property owner to make payments in lieu of ad valorem taxes.

Present constitution authorizes the imposition of ad valorem property taxes by local governments, school boards, and other special districts.

Present constitution authorizes a variety of exemptions from ad valorem tax.

Proposed constitutional amendment changes present constitution by establishing an exemption for property subject to a cooperative endeavor agreement that requires the property owner to make payments in lieu of the ad valorem taxes imposed by a taxing authority that is a party to the agreement. The extent of the exemption shall be as provided for in the agreement.

Proposed constitutional amendment limits eligibility for the exemption to a manufacturing establishment or an addition to an existing manufacturing establishment that qualifies for the industrial tax exemption. Proposed constitutional amendment further prohibits eligibility for this exemption for a manufacturing establishment that has a contract for the industrial tax exemption, unless it is within the first four years of that contract.

Proposed constitutional amendment requires that exempt properties be listed on the assessment rolls and that information concerning those properties be submitted to the La. Tax Commission.

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

(Adds Article VII, Section 21(O))

Summary of Amendments Adopted by House

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

1. Change property eligible for the exemption from manufacturing establishments that qualify for the industrial tax exemption and properties approved by a legislative committee as provided by law to only properties that qualify for the industrial tax exemption.