1

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

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

Page 1 of 3

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

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) Enactment of any law to implement this Paragraph and any amendment
8	to that law shall require a two-thirds vote of the elected members of each house of
9	the legislature.
10	Section 2. Be it further resolved that this proposed amendment shall be submitted
11	to the electors of the state of Louisiana at the statewide election to be held on October 12,
12	2019.
13	Section 3. Be it further resolved that on the official ballot to be used at the election,
14	there shall be printed a proposition, upon which the electors of the state shall be permitted
15	to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
16	follows:
17	Do you support an amendment to authorize a property tax exemption for
18	property that is subject to an agreement with local government, as provided
19	by law, allowing the property owner to make payments instead of paying
20	property taxes and to require a two-thirds vote of the legislature to enact laws
21	in this regard? (Adds Article VII, 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 Re-Reengrossed

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.

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

Page 2 of 3

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

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

<u>Proposed constitutional amendment</u> changes <u>present constitution</u> 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.

<u>Proposed constitutional amendment</u> requires that an enactment of any law to implement payments in lieu of taxes shall require a two-thirds vote of each house of the legislature.

<u>Proposed constitutional amendment</u> 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, §21(O))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by <u>House Committee on Ways and Means</u> to the original bill:

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

The Committee Amendments Proposed by <u>House Committee on Civil Law and</u> Procedure to the engrossed bill:

1. Change the ballot language.

The House Floor Amendments to the reengrossed bill:

- 1. Require a law enacted to implement payment in lieu of taxes to be adopted by a vote of two-thirds of both houses of the legislature.
- 2. Remove requirement that in order to qualify for a payment in lieu of taxes agreement, the property must qualify for the industrial tax exemption.
- 3. Update ballot language.