
DIGEST

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HB 527 Original

2020 Regular Session

Ivey

Abstract: Establishes a standard, local, and executive ad valorem property tax exemption for capital investment projects and establishes an ad valorem tax exemption for non-residential property subject to a cooperative endeavor agreement requiring payment in lieu of taxes.

Present constitution authorizes a property tax exemption (exemption) for new manufacturing establishments and 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 three ad valorem property tax exemptions for capital investment projects as follows:

- (1) A standard exemption for a term of eight calendar years for 80% of its property taxes. The exemption is subject to review by the Board of Commerce and Industry. No additional approval is required.
- (2) A local exemption for a term of no more than 15 calendar years for up to 100% of its property taxes. This exemption requires the approval of local taxing authorities as provided by law.
- (3) An executive exemption for a term determined by the governor for up to 100% of its property taxes. This exemption requires approval of the governor.

Proposed constitutional amendment also requires that any law enacted to administer any of the new exemptions requires a favorable vote of two-thirds of the elected members of each house of the legislature.

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

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

Present constitution establishes an exclusive list of ad valorem tax exemptions.

Proposed constitutional amendment retains present constitution but adds an exemption for non-

residential property subject to a cooperative endeavor agreement requiring the property owner to make payments in lieu of the ad valorem taxes imposed by a taxing authority party to the agreement. The extent of the exemption shall be as provided for in the agreement.

Proposed constitutional amendment provides the specific property eligible for this exemption shall be established in law.

Proposed constitutional amendment requires that any law enacted to implement this payment in lieu of taxes program will require a two-thirds vote of both houses of the legislature.

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 Nov. 3, 2020.

Effective Jan. 1, 2021

(Amends Const. Art. VII, §21(F); Adds Const. Art. VII, §21(O))