2020 Regular Session

HOUSE BILL NO. 347

## BY REPRESENTATIVE IVEY

## TAX/AD VALOREM-EXEMPTION: (Constitutional Amendment) Establishes certain ad valorem property tax exemptions

1	A JOINT RESOLUTION
2	Proposing to amend Article VII, Section 21(F) of the Constitution of Louisiana, relative to
3	ad valorem property tax exemptions; to establish exemptions for certain property; to
4	establish exemptions for certain capital investment projects; to provide for the terms
5	of exemptions; to provide for the amount of the exemptions; to provide authorization
6	for approval of the exemptions; to authorize the administration of the exemptions;
7	to provide for review by the Board of Commerce and Industry; to provide for
8	approval from political subdivisions; to provide for gubernatorial approval; to
9	provide for certain limitations; to provide for certain requirements; to provide for
10	submission of the proposed amendment to the electors; and to provide for related
11	matters.
12	Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
13	elected to each house concurring, that there shall be submitted to the electors of the state of
14	Louisiana, for their approval or rejection in the manner provided by law, a proposal to
15	amend Article VII, Section 21(F) of the Constitution of Louisiana, to read as follows:
16	§21. Other Property Exemptions
17	Section 21. In addition to the homestead exemption provided for in Section
18	20 of this Article, the following property and no other shall be exempt from ad
19	valorem taxation:
20	* * *

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

1	(F) Notwithstanding any contrary provision of this Section, the State Board
2	of Commerce and Industry or its successor, with the approval of the governor, may
3	enter into contracts for the there is hereby authorized a standard, local, and executive
4	exemption from ad valorem taxes of a new manufacturing establishment or an
5	addition to an existing manufacturing establishment, on such terms and conditions
6	as the board, with the approval of the governor, deems in the best interest of the
7	state. for capital investment projects as follows:
8	(1) The <u>standard</u> exemption shall be for <del>an initial</del> <u>a</u> term of <del>no more than five</del>
9	eight calendar years, and may be renewed for an additional five years shall provide
10	for an ad valorem tax exemption of eighty percent of the property taxes of the capital
11	investment project. The granting of a standard exemption shall be reviewed by the
12	Board of Commerce and Industry, or its successor as provided by law, and no
13	additional approval is required for the granting of this exemption. Enactment of any
14	law to administer this exemption shall require a favorable vote of two-thirds of the
15	elected members of each house of the legislature.
16	(2) The local exemption shall be for a term of no more than fifteen years and
17	may provide for an ad valorem tax exemption of up to one hundred percent of the
18	property taxes of the capital investment project. The granting of a local exemption
19	shall require the approval of each political subdivision in whose district the project
20	is to be located. Enactment of any law to administer this exemption shall require a
21	favorable vote of two-thirds of the elected members of each house of the legislature.
22	(3) The executive exemption shall be for a term determined by the governor
23	and may provide for an ad valorem tax exemption of up to one hundred percent of
24	the property taxes of the capital investment project. The granting of an executive
25	exemption shall require approval from the governor. Enactment of any law to
26	administer this exemption shall require a favorable vote of two-thirds of the elected
27	members of each house of the legislature.

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1	(4) All property exempted shall be listed on the assessment rolls and
2	submitted to the Louisiana Tax Commission or its successor, but no taxes shall be
3	collected thereon during the period of exemption.
4	The terms "manufacturing establishment" and "addition" as used herein mean
5	a new plant or establishment or an addition or additions to any existing plant or
6	establishment which engages in the business of working raw materials into wares
7	suitable for use or which gives new shapes, qualities or combinations to matter which
8	already has gone through some artificial process.
9	* * *
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 November 3,
12	2020.
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 ad valorem property tax
18	exemptions for certain capital investment projects, to provide for the
19	approval, terms, and amounts of the exemptions, and to authorize the
20	legislature to provide for the administration of the exemptions by
21	law?(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 347 Engrossed	2020 Regular Session	Ivey
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Abstract: Establishes a standard, local, and executive property tax exemption for capital investment projects when the projects meet eligibility and approval standards pursuant to law.

<u>Present constitution</u> 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.

<u>Proposed constitutional amendment</u> 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.

<u>Proposed constitutional amendment</u> 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.

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

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 3, 2020.

(Amends Const. Art. VII, §21(F))