



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HCR 4** HLS 20RS 328

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 10, 2020 3:05 PM	Author: BEAULLIEU
Dept./Agy.: Economic Development / Local Governments	Analyst: Greg Albrecht
Subject: Industrial Tax Exemption	

TAX/AD VALOREM-EXEMPTION EG SEE FISC NOTE LF RV See Note Page 1 of 1
Amends rules relative to participation in the Industrial Tax Exemption Program

Present Louisiana Administrative Code (LAC) allows local governments 60 days to complete approval or rejection of industrial tax exemption applications. If local government takes no action, the application is deemed approved by each affected local entity.

Proposed LAC establishes an Industrial Tax Exemption Program (ITEP) Ready provision where local governmental entities in a parish vote by majority to agree to approve all industrial ad valorem tax exemption applications with their jurisdictions. For such parishes the 30-day notice period for public hearings shall not apply, and no further action evidencing local approval shall be required. Local entities can change their intent to be ITEP Ready for one year at a time.

Applicable to applications filed on or after August 1, 2020.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The resolution appears to intend to streamline or shorten the industrial tax exemption approval process at the local level by, in effect, allowing local governments to approve all applications in their jurisdictions in advance, and forego the required days of public notice and the taking of action or defaulting to approval for each application, individually. While total applications in the state are unlikely to change as a result of the availability of this process, it is possible that the distribution of projects among parishes might be influenced by the utilization of this process in some parishes and not others. However, parishes that are already conducive to industrial activity or that already have substantial industrial activity may be most likely to adopt ITEP Ready status, resulting in little change in the distribution of projects.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

John D. Carpenter
Legislative Fiscal Officer