

2020 Second Extraordinary Session

HOUSE BILL NO. 78

BY REPRESENTATIVE BEAULLIEU

TAX/AD VALOREM-MFG/EXEMP: Authorizes agreements between political subdivisions and taxpayers that may provide for certain payments in lieu of ad valorem taxes (Item #65)

1 AN ACT

2 To enact R.S. 33:2760, relative to payments in lieu of taxes; to provide for agreements for
3 investments in political subdivisions authorizing payments in lieu of ad valorem
4 taxes; to provide for agreements authorizing payments in lieu of ad valorem taxes
5 that may allow for property tax exemptions; to provide for the authority of political
6 subdivisions; to provide for ownership and title of property subject to certain
7 agreements; to provide for certain conditions and limitations; and to provide for
8 related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 33:2760 is hereby enacted to read as follows:

11 §2760. Agreements for strategic investments

12 A. Pursuant to Article VII, Section 21(O) of the Constitution of Louisiana,
13 one or more political subdivisions permitted to levy an ad valorem tax may enter
14 into an agreement for strategic investments to maximize parish and local economies
15 for payments in lieu of taxes as provided in this Section. Property subject to a
16 cooperative endeavor agreement provided for in R.S. 33:2759 or subject to a contract
17 of exemption provided for in Article VII, Section 21(F) of the Constitution of
18 Louisiana shall be ineligible for such an agreement.

1 B. The agreement for strategic investment maximizing parish and local
2 economies authorizing payments in lieu of taxes shall be entered into voluntarily by
3 an ad valorem taxpayer and one or more political subdivisions that levy an ad
4 valorem tax on the property. If more than one political subdivision enters into the
5 agreement, the political subdivisions may authorize a single political subdivision to
6 act as an agent on their behalf.

7 C. No political subdivision shall be required to enter into an agreement
8 pursuant to this Section; however, each political subdivision levying an ad valorem
9 tax on the property shall be provided an opportunity to enter into the agreement.
10 Only the political subdivision or political subdivisions that enter into the agreement
11 shall be bound by its terms.

12 D. The exemption shall be for a term of nine years in exchange for no greater
13 than four years of ad valorem tax payments.

14 E. Title or ownership of property subject to an agreement for strategic
15 investments to maximize parish and local economies authorizing payments in lieu
16 of ad valorem taxes, as provided in this Section and the Constitution of Louisiana,
17 shall not be transferred from the owner or the owner's successor during the time the
18 agreement is in effect.

19 F. For purposes of this Section, "political subdivision" means a parish,
20 municipality, and any other unit of local government, including a school board and
21 a special district authorized to levy and collect an ad valorem property tax.

22 Section 2. This Act shall take effect and become operative if and when the proposed
23 amendment of Article VII, Section 21 of the Constitution of Louisiana contained in Act 370
24 of the 2020 Regular Session of the Legislature is adopted at a statewide election and
25 becomes effective.

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 78 Reengrossed

2020 Second Extraordinary Session

Beaulieu

Abstract: Authorizes agreements, between political subdivisions and taxpayers, for strategic investments to maximize parish and local economies authorizing payments in lieu of taxes that may grant ad valorem tax exemptions.

Present constitution authorizes certain parishes, municipalities, school boards, and other special districts to levy an ad valorem property tax.

Present constitution establishes the exclusive list of ad valorem property tax exemptions.

Proposed law authorizes a taxpayer and one or more political subdivisions to enter into an agreement for strategic investments to maximize parish and local economies authorizing payments in lieu of taxes.

Proposed law permits one or more political subdivisions to grant future tax credits for nine years in exchange for up to four years of ad valorem payments within an agreement authorizing payment in lieu of taxes.

Proposed law permits one political subdivision to act as an agent on behalf of the other political subdivisions if more than one political subdivision enters into the agreement.

Proposed law provides that no political subdivision is required to enter into an agreement, but requires each political subdivision to be provided an opportunity to enter into the agreement.

Proposed law provides that title or ownership of property subject to an agreement for strategic investments to maximize parish and local economies authorizing payments in lieu of taxes shall remain with the property owner during the time the agreement is in effect.

Proposed law defines a political subdivision as a parish, municipality, and any other unit of local government, including a school board or special district, authorized to levy an ad valorem property tax.

Effective if and when the constitutional amendment in Act 370 of the 2020 Regular Session is adopted at a statewide election and becomes effective.

(Adds R.S. 33:2760)

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Change the bill from one that requires political subdivisions to authorize a political subdivision to act as an agent to one that permits a political subdivision to authorize a political subdivision to act as an agent.
2. Change the exemption from requiring no greater than two years of ad valorem tax payments to requiring no greater than four years of ad valorem tax payments.