
DIGEST

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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.