

1 manufacturing establishment or an addition to an existing manufacturing
2 establishment, on such terms and conditions as the board, ~~with the approval of the~~
3 ~~governor~~, deems in the best interest of the state.

4 (2) The A manufacturing establishment exemption granted pursuant to this
5 Paragraph shall be for an initial term of no more than five calendar years, and may
6 be renewed for an additional five years.

7 (3) An exemption for a manufacturing establishment may provide for an ad
8 valorem tax exemption equal to an amount of up to eighty percent of the ad valorem
9 taxes of the establishment. An exemption for a mega-project may provide for an ad
10 valorem tax exemption equal to an amount of up to ninety-three percent of the ad
11 valorem taxes of the establishment.

12 (4) All property exempted shall be listed on the assessment rolls and
13 submitted to the Louisiana Tax Commission or its successor, but no taxes shall be
14 collected thereon during the period of exemption.

15 (5) For purposes of this Paragraph, the ~~The~~ terms "manufacturing
16 establishment" and "addition" as used herein shall mean a new plant or establishment
17 or an ~~addition or additions~~ improvement to any existing plant or establishment which
18 engages in the business of working raw materials into wares suitable for use or which
19 gives new shapes, qualities or combinations to matter which already has gone
20 through some artificial process.

21 (6) For purposes of this Paragraph, the term "mega-project" shall mean a
22 manufacturing establishment that provides five hundred directly employed jobs that
23 generate a minimum of twenty million dollars of net new payroll within the first
24 three years of operations and a minimum of one hundred million in capital
25 expenditures.

26 * * *

27 Section 2. Be it further resolved that the provisions of the amendment contained in
28 this Joint Resolution shall become effective on January 1, 2023.

1 Section 3. Be it further resolved that this proposed amendment shall be submitted
2 to the electors of the state of Louisiana at the statewide election to be held on November 8,
3 2022.

4 Section 4. Be it further resolved that on the official ballot to be used at the election,
5 there shall be printed a proposition, upon which the electors of the state shall be permitted
6 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
7 follows:

8 Do you support an amendment to remove the governor from the industrial tax
9 exemption approval process, set the maximum amount of the exemption for
10 a manufacturing establishment at eighty percent of the ad valorem taxes of
11 the establishment, and set the maximum amount of the exemption for a
12 mega-project at ninety-three percent of the ad valorem taxes of the
13 establishment? (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 318 Original

2021 Regular Session

DeVillier

Abstract: Removes the requirement of gubernatorial approval for an industrial manufacturing establishment ad valorem tax exemption, caps the amount of the exemption for a manufacturing establishment at 80% of the ad valorem taxes of the establishment, and caps the amount of the exemption for a mega-project at 93% of the ad valorem taxes of the establishment.

Present constitution authorizes the State Board of Commerce and Industry (board), with the approval of the governor, to enter into a contract for the exemption from ad valorem taxes of a new manufacturing establishment or an addition to an existing manufacturing establishment. Further provides that the terms and conditions of the contract are decided by the board with the approval of the governor.

Proposed constitutional amendment removes the requirement that the terms and conditions of the exemption contract be approved by the governor.

Present constitution provides that the exemption shall be for an initial term of no more than five calendar years and may be renewed for an additional five years.

Proposed constitutional amendment retains present constitution.

Proposed constitutional amendment authorizes an ad valorem tax exemption for a manufacturing establishment or addition to an existing manufacturing establishment of up

to 80% of the ad valorem taxes of the establishment. Further authorizes an ad valorem tax exemption for a mega-project of up to 93% of the ad valorem taxes of the establishment.

Present constitution requires all exempted property to be listed on the assessment rolls and submitted to the Louisiana Tax Commission.

Proposed constitutional amendment retains present constitution.

Present constitution defines "manufacturing establishment" and "addition" as a new plant or establishment or an addition or additions to any existing plant or establishment which engages in the business of working raw materials into wares suitable for use or which gives new shapes, qualities or combinations to matter which already has gone through some artificial process.

Proposed constitutional amendment includes an improvement to an existing plant or establishment in the definition, instead of an addition or additions to an existing plant or establishment. Otherwise retains present constitution.

Proposed constitutional amendment defines "mega-project" as a manufacturing establishment that provides 500 directly employed jobs that generate a minimum of \$20 million of net new payroll within the first three years of operations and a minimum of \$100 million in capital expenditures.

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 8, 2022.

Effective Jan. 1, 2023.

(Amends Const. Art. VII, §21(F))