
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))