
DIGEST

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HB 370 Original

2021 Regular Session

Ivey

Abstract: Establishes standard, local, and executive property tax exemptions for capital investment projects when the projects meet eligibility and approval standards pursuant to law.

Present constitution authorizes a property tax exemption for new manufacturing establishments and additions to existing establishments for an initial term of five years, with a five-year renewal. The exemption is effectuated through a contract granted by the Board of Commerce and Industry, with the approval of the governor.

Proposed constitutional amendment authorizes three ad valorem property tax exemptions for capital investment projects as follows:

- (1) A standard exemption for a term of eight calendar years for 80% of property taxes. The exemption is subject to review by the Board of Commerce and Industry, and is subject to local approval as provided by law.
- (2) A local exemption for a term of no more than 15 calendar years for up to 100% of property taxes. The exemption is subject to local approval as provided by law.
- (3) An executive exemption for a term determined by the governor for up to 100% of property taxes. The exemption requires approval of the governor and is subject to local approval as provided by law.

Proposed constitutional amendment also requires that any law enacted to administer any of the new exemptions requires a favorable vote of two-thirds of the elected members of each house of the legislature.

Present constitution requires property to be listed on tax assessment rolls.

Proposed constitutional amendment repeals present constitution.

Present constitution defines "manufacturing establishment" as a new 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 repeals present constitution.

Present constitution defines addition as an addition to a 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 repeals present constitution.

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

(Amends Const. Art. VII, §21(F))