

2022 Regular Session

HOUSE BILL NO. 372

BY REPRESENTATIVE ROMERO

TAX/AD VALOREM TAX: Provides for the assessment of green house gas emissions reduction facilities for purposes of ad valorem property taxes

1 AN ACT

2 To enact R.S. 47:1977.1, relative to the assessment of property for ad valorem tax purposes;
3 to provide for the assessment of certain emissions reduction facilities; to provide for
4 definitions; to provide for certain requirements and limitations; to authorize the
5 promulgation of rules; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:1977.1 is hereby enacted to read as follows:

8 §1977.1. Assessment of green house gas emissions reduction facilities

9 A.(1) The fair market value of certified green house gas emissions reduction
10 facilities, hereinafter "GHG emissions reduction facilities", for ad valorem tax
11 assessment purposes shall be the actual net value which could be realized by the
12 owner if the facilities were removed and sold at a fair, voluntary sale, giving due
13 account to all forms of depreciation and expense of removal.

14 (2) For purposes of this Section, the term "GHG emissions reduction
15 facilities" means machinery or equipment and any improvements or additions to
16 property that has been certified in accordance with rules adopted by the Department
17 of Environmental Quality pursuant to the provisions of this Section for use in the
18 capture, disposal, containment, or reduction of greenhouse gas emissions released
19 into the atmosphere. The improvements or additions may be individually considered

1 by an assessor and shall not create any special valuation for machinery and
2 equipment.

3 B.(1) The Department of Environmental Quality shall adopt rules and
4 regulations in accordance with the Administrative Procedure Act as are necessary
5 to administer the provisions of this Section including but not limited to rules relative
6 to the certification of GHG emissions reduction facilities.

7 (2) The Louisiana Tax Commission shall adopt rules and regulations in
8 accordance with the Administrative Procedure Act as are necessary to provide for the
9 valuation of certified GHG emissions reduction facilities.

10 C. The provisions of this Section shall be applicable to GHG emissions
11 reduction facilities acquired, installed, or re-purposed, in whole or in part, on or after
12 January 1, 2022, and shall not apply to machinery or equipment and improvements
13 or additions to property used for any other commercial purpose.

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 372 Original

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Romero

Abstract: Defines the fair market value of certified green house gas emissions reduction facilities (GHG emissions reduction facilities) for ad valorem tax purposes as the actual net value of the property which could be realized by the owner if the facilities were sold at a fair, voluntary sale, considering all forms of depreciation and the expense of removal.

Present constitution authorizes local governments and other political subdivisions to levy ad valorem property taxes on movable and immovable property within their jurisdictions. Further requires assessors to determine the fair market value of all property except public service property which shall be valued by the La. Tax Commission.

Present law establishes the procedure for assessment of property and defines fair market value and use value for purposes of ad valorem taxation.

Proposed law defines fair market value of certified GHG emissions reduction facilities for purposes of ad valorem tax as the actual net value which could be realized by the owner if the facilities were removed and sold at a fair, voluntary sale, giving account to all forms of depreciation and expense of removal.

Proposed law defines "GHG emissions reduction facilities" as machinery or equipment and any improvements or additions to property that has been certified for use in the capture, disposal, containment or reduction of greenhouse gas emissions released into the atmosphere. Proposed law authorizes the improvements or additions to be individually

considered by an assessor and prohibits the creation of a special valuation for machinery and equipment.

Proposed law authorizes both the Dept. of Environmental Quality and the La. Tax Commission to adopt rules in accordance with present law (Administrative Procedure Act) as are necessary to implement the provisions of proposed law.

Proposed law applies to GHG emissions reduction facilities acquired, installed, or re-purposed, in whole or in part, on or after Jan. 1, 2022, and does not apply to machinery or equipment and improvements or additions to property used for any other commercial purpose.

(Adds R.S. 47:1977.1)