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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

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DIGEST

SB 246 Engrossed

2022 Regular Session

Allain

Present constitution authorizes the economic development authority of each parish to enter into contracts to exempt goods held in inventory by distribution centers from all local ad valorem taxes.

Proposed constitutional amendment authorizes parishes to exempt all goods held in inventory held by all taxpayers from ad valorem taxation in the parish.

Proposed constitutional amendment provides that the term "goods held in inventory" shall be defined in law and cannot be amended or repealed except by a 2/3 vote of the legislature.

Proposed constitutional amendment requires parishes to make the election to exempt inventory as provided by law and the election shall be in place until revoked by a 2/3 vote of the legislature.

Present constitution authorizes the State Board of Commerce and Industry, with the governor's approval, to execute contracts for exemption from ad valorem taxes of a new manufacturing establishment or an addition to an existing manufacturing establishment, on such terms and conditions as the board, with the governor's approval, deems in the best interest of the state.

Proposed constitutional amendment provides that the manufacturing establishment tax exemption program and optional exemption for inventory held by distribution centers provided by the present constitution does not apply to parishes making the election to exempt all inventory under proposed constitutional amendment.

Proposed constitutional amendment provides that in parishes that elect to exempt inventory from ad valorem taxation, the manufacturing establishment exemption shall not exceed eighty percent of the ad valorem taxes that otherwise would be owed to each tax recipient body approving the exemption or renewal.

Proposed constitutional amendment provides that the manufacturing exemption shall be for an initial term of no more than five calendar years and may be renewed for a second term of no more than five years, however eligibility for a renewal is conditioned on meeting all the terms and conditions of the initial contract.

Proposed constitutional amendment provides that the approval process for the manufacturing establishment tax exemption program in parishes that exempt all inventory shall be as established in regulations promulgated by the Board of Commerce and Industry or by an executive order issued by the governor.

Specifies submission of the amendment to the voters at the statewide election to be held on

November 8, 2022.

(Adds Article VII, Section 21(O))