

2023 Regular Session

SENATE BILL NO. 86

BY SENATOR FIELDS

TAX EXEMPTIONS. Constitutional amendment to provide that all 10-Year Industrial Exemption contracts entered into after 12/31/23 shall be entered into only on condition that the exemption shall not apply to taxes levied for purposes related to elementary and secondary education. (2/3-CA13s1(A))

A JOINT RESOLUTION

Proposing to amend Article VII, Section 21(F) of the Constitution of Louisiana, relative to contracts of exemption from certain ad valorem property taxes; to provide that contracts for new manufacturing establishments or additions to existing manufacturing establishments shall not exempt certain taxes; and to specify an election for submission of the proposition to electors and provide a ballot proposition.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state, for their approval or rejection in the manner provided by law, a proposal to amend Article VII, Section 21(F) of the Constitution of Louisiana, to read as follows:

§21. Other Property Exemptions

Section 21. In addition to the homestead exemption provided for in Section 20 of this Article, the following property and no other shall be exempt from ad valorem taxation:

* * *

(F) Notwithstanding any contrary provision of this Section, the State Board

1 of Commerce and Industry or its successor, with the approval of the governor, may
2 enter into contracts for the exemption from all ad valorem taxes **except taxes levied**
3 **for purposes related to elementary and secondary education which are levied**
4 **upon** a new manufacturing establishment or an addition to an existing manufacturing
5 establishment, on such terms and conditions as the board, with the approval of the
6 governor, deems in the best interest of the state.

7 The exemption shall be for an initial term of no more than five calendar
8 years, and may be renewed for an additional five years.

9 All property exempted shall be listed on the assessment rolls and submitted
10 to the Louisiana Tax Commission or its successor, but no taxes shall be collected
11 thereon during the period of exemption.

12 The terms "manufacturing establishment" and "addition" as used herein mean
13 a new plant or establishment or an addition or additions to any existing plant or
14 establishment which engages in the business of working raw materials into wares
15 suitable for use or which gives new shapes, qualities or combinations to matter which
16 already has gone through some artificial process.

17 * * *

18 Section 2. Be it further resolved that this proposed amendment shall be submitted to
19 the electors of the state of Louisiana at the statewide election to be held on October 14, 2023.

20 Section 3. Be it further resolved that the proposed amendment, if approved by
21 electors, shall become effective on January 1, 2024, and shall apply to all new contracts
22 entered into, and all renewals of existing contracts, occurring on and after that date.

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

1 Do you support an amendment to provide that all contracts for industrial tax
 2 exemptions from ad valorem property tax shall not apply to taxes levied for
 3 purposes related to elementary and secondary education?
 4 (Amends Article VII, Section 21(F))

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Danielle B. Clapinski.

	DIGEST	
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Present constitution authorizes the Board of Commerce and Industry, with the approval of the governor, to enter into contracts for exemption from ad valorem taxes with new manufacturing establishments or additions to existing manufacturing establishments, on such terms and conditions as the board, with the approval of the governor, deems in the best interest of the state. The contracts are for a term of five years and are renewable for up to an additional five years.

Proposed constitutional amendment provides that all such contracts shall not apply to taxes levied for purposes related to elementary and secondary education.

Specifies submission of the amendment to the voters at the statewide election to be held on October 14, 2023.

Effective January 1, 2024, and applies to all new contracts entered into, and all renewals of existing contracts, occurring on or after that date.

(Amends Const. Art. VII, Sec. 21(F))