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## DIGEST

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Hunter

HB No. 709

**Abstract:** Prohibits new tax exemption contracts if the legislature determines that such contracts would cause undue socioeconomic duress and financial hardship. Requires the termination of a tax exemption contract or prohibits the renewal of a tax exemption contract if the legislature determines that the tax exemptions granted by a contract or contracts cause undue financial duress and financial hardship.

Present law provides for contracts of exemption from taxation for certain manufacturing establishment, headquarters, or warehousing and distribution establishments. The Board of Commerce and Industry reviews recommendations of the Dept. of Economic Development. If recommended by the Board of Commerce and Industry, the Dept. of Revenue may review and state any objection. The Board of Commerce and Industry then sends the recommendation to the governor for final approval. The governor then has 30 days for final approval.

Proposed law provides that the governor shall not approve any contract for exemption if a majority of the elected members of each house of the legislature determine that any contract for exemption would cause undue socioeconomic duress and financial hardship. Such determination may be made by concurrent resolution or by mail ballot if the legislature is not in session.

Present law provides for renewals of tax exemption contracts.

Proposed law prohibits the renewal of any contract for exemption unless the renewal is approved by a majority of the elected members of each house of the legislature.

Present law provides for termination of contracts. Noncompliance with any of the terms and conditions of the contract under which exemptions are granted are grounds for termination of the contract.

Proposed law requires the Board of Commerce and Industry to terminate any contract for exemption if a majority of the elected members of each house of the legislature determine that such contract for exemption would cause undue socioeconomic duress and financial hardship. Such determination may be made by concurrent resolution or by mail ballot if the legislature is not in session.

Present law provides for contracts for tax exemptions for certain Vision 2020 businesses. Authorizes the Board of Commerce and Industry with approval of the governor and the Joint Legislative Committee on the Budget to enter into such contracts.

Proposed law provides that the governor shall not approve any contract for exemption if a majority of the elected members of each house of the legislature determine that any contract for exemption would cause undue socioeconomic duress and financial hardship. Such determination may be made by concurrent resolution or by mail ballot if the legislature is not in session.

Proposed law prohibits the renewal of any contract for exemption unless the renewal is approved by a majority of the elected members of each house of the legislature.

Proposed law requires the Board of Commerce and Industry to terminate any contract for exemption if a majority of the elected members of each house of the legislature determine that such contract for exemption would cause undue socioeconomic duress and financial hardship. Such determination may be made by concurrent resolution or by mail ballot if the legislature is not in session.

(Amends R.S. 47:3204(D); Adds R.S. 47:3203(C), 3204(B)(3), and 4302(E))