2017 Regular Session

HOUSE BILL NO. 444

BY REPRESENTATIVES SEABAUGH, BROADWATER, AND GLOVER

TAX/AD VALOREM-EXEMPTION: (Constitutional Amendment) Establishes an ad valorem tax exemption for property subject to a cooperative endeavor agreement requiring the property owner make payments in lieu of taxes

A JOINT RESOLUTION

Proposing to add Article VII, Section 21(N) of the Constitution of Louisiana, to provide for ad valorem tax exemptions; to establish an exemption for certain property subject to a cooperative endeavor agreement requiring payments in lieu of taxes; to provide for requirements and limitations; to provide for submission of the proposed amendment to the electors; and to provide for related matters.

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 of Louisiana, for their approval or rejection in the manner provided by law, a proposal to add Article VII, Section 21(N) 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:

* * *

(N) Property that is subject to a cooperative endeavor agreement, as provided by law and this constitution, between the owner and one or more taxing authorities which agreement requires the property owner to make payments in lieu of taxes as provided by law. Property eligible for this exemption shall be as provided in Subparagraph(1) of this Paragraph.

CODING: Words in **strikethrough** type are deletions from existing law; words **underscored** are additions.
(1)(a) Property of a new manufacturing establishment or an addition to an existing manufacturing establishment.

(b) Other property, subject to a cooperative endeavor agreement which has been approved by a committee of the legislature, as provided by law.

(2) The exemption authorized under this Paragraph shall be to the extent agreed to and provided for in the cooperative endeavor agreement. All property exempted shall be listed on the assessment rolls and submitted to the Louisiana Tax Commission.

(3) Except as otherwise provided herein, property that has been subject to a contract of exemption as provided in Paragraph (F) of this Section shall be ineligible for the exemption authorized under this Paragraph. Notwithstanding the foregoing, an ad valorem taxing authority may negotiate and enter into a cooperative endeavor agreement with a property owner for a payment in lieu of ad valorem taxes during the first two years of a contract of exemption allowed by Paragraph (F) of this Section as provided by law.

(4) The terms "manufacturing establishment" and "addition" shall have the same meanings ascribed to them in Paragraph (F) of this Section.

Section 2. Be it further resolved that this proposed amendment shall be submitted to the electors of the state of Louisiana at the statewide election to be held on October 14, 2017.

Section 3. Be it further resolved that on the official ballot to be used at the election, there shall be printed a proposition, upon which the electors of the state shall be permitted to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as follows:

Do you support an amendment to grant a property tax exemption for property that is subject to an agreement with local government allowing the property owner to make payments instead of property taxes?

(Adds Article VII, Section 21(N))
HB 444 Re-Reengrossed 2017 Regular Session Seabaugh

**Abstract:** Establishes an ad valorem tax exemption for property that is subject to a cooperative endeavor agreement that requires the property owner to make payments in lieu of ad valorem taxes.

Present constitution authorizes the imposition of ad valorem property taxes by local governments, school boards, and other special districts.

Present constitution authorizes a variety of exemptions from ad valorem tax.

Proposed constitutional amendment changes present constitution by establishing an exemption for property subject to a cooperative endeavor agreement that requires the property owner to make payments in lieu of the ad valorem taxes imposed by a taxing authority that is a party to the agreement. The extent of the exemption shall be as provided for in the agreement.

Proposed constitutional amendment limits eligibility for the exemption to either a manufacturing establishment that qualifies for the industrial tax exemption, or a property subject to a cooperative endeavor agreement that has been approved by a legislative committee as provided by law. Proposed constitutional amendment further prohibits eligibility for this exemption for a manufacturing establishment that has a contract for the industrial tax exemption, unless it is within the first two years of that contract.

Proposed constitutional amendment requires that exempt properties be listed on the assessment rolls and that information concerning those properties be submitted to the La. Tax Commission.

Provides for submission of the proposed amendment to the voters at the statewide election to be held October 14, 2017.

(Adds Const. Art. VII, §21(N))

**Summary of Amendments Adopted by House**

The Committee Amendments Proposed by House Committee on Civil Law and Procedure to the engrossed bill:

1. Add technical changes to the ballot language.

The House Floor Amendments to the reengrossed bill:

1. Limit eligibility for the exemption to either a manufacturing establishment that qualifies for the industrial tax exemption, or a property subject to a cooperative endeavor agreement that has been approved by a legislative committee. Further, prohibits eligibility for this exemption for a manufacturing establishment that has a contract for the industrial tax exemption, unless it is within the first two years of that contract.

2. Limit the exemption to the amount agreed upon in the cooperative endeavor agreement.

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3. Add a requirement that exempt properties be listed on the assessment rolls and information concerning those properties is required to be submitted to the La. Tax Commission.