
DIGEST

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HB 54 Original

2020 First Extraordinary Session

Ivey

Abstract: Establishes a program for the consideration and approval of standard, local, and executive capital investment project ad valorem tax exemptions.

Present constitution provides for the exclusive list of ad valorem tax exemptions.

Proposed law defines the terms board, department, and political subdivision.

Proposed law creates a standard ad valorem tax exemption for capital investment projects.

Proposed law establishes an application for a standard ad valorem tax exemption and requires the Board of Commerce and Industry hereinafter "board", to design and provide the application forms. Proposed law further provides that the board shall review a standard ad valorem tax exemption and, upon approval by the board, the exemption applicant and the board shall enter into a cooperative endeavor agreement evidencing the exemption.

Proposed law provides that the standard ad valorem tax exemption shall exempt up to 80% of the project's property taxes for a term of 8 years.

Proposed law requires the board to provide the appropriate political subdivisions with a copy of any resolution adopted by the board approving the exemption and a copy of the cooperative endeavor agreement.

Proposed law requires local governmental approval prior to the execution of the cooperative endeavor agreement. A political subdivision must evidence the rejection of the exemption within 30 days of receipt or the exemption will be deemed approved.

Proposed law creates a local ad valorem tax exemption for capital investment projects.

Proposed law establishes an application for a local ad valorem tax exemption and requires the board to design and provide the application forms. Proposed law further provides that to be eligible for the local exemption an application must have received final approval by the board for a standard exemption.

Proposed law requires the application for a local exemption to be forwarded to the parish governing authority of the parish in which the project is to be located, within 15 days of board approval. Within three days of receipt, the parish governing authority shall forward the application to each political

subdivision that levies a millage and in whose district the project will be located.

Proposed law the Department of Economic Development hereinafter "department" shall provide the parish governing authority and all relevant political subdivisions an analysis of every proposed project requesting an exemption in the parish.

Proposed law provides within 60 days of receipt each political subdivision shall review each project application in conjunction with the department's analysis and issue a resolution or a letter, in the case of a sheriff, approving or rejecting the application. During this time political subdivisions may hold public meetings to receive public input.

Proposed law provides that if the political subdivision approves the application, the political subdivision and the applicant, with the assistance of the department, shall enter into a cooperative endeavor agreement evidencing the exemption.

Proposed law further provides that the cooperative endeavor agreement shall be for up to 100% of the property taxes of the project and for a term of not more than 15 years.

Proposed law requires that the parish governing authority shall provide the board with a copy of the cooperative endeavor agreement and a copy of any resolution or letter approving the exemption.

Proposed law creates an executive ad valorem tax exemption for capital investment projects.

Proposed law provides that the governor may offer any entity an executive exemption. The exemption may be for up to 100% of the property taxes of the project and for a specific term to be decided by the governor.

Proposed law requires local governmental approval prior to the execution of the executive order providing for an exemption. A political subdivision must evidence the rejection of the exemption within 30 days of receipt or the exemption will be deemed approved.

Proposed law requires the executive exemption be evidenced by a gubernatorial executive order providing the terms and conditions of the exemption.

Effective if and when the proposed amendment of Article VII, Section 21(F) of the Constitution of La. contained in the Act which originated as House Bill No. 36 of this 2020 1st E.S. of the Legislature is adopted at a statewide election and becomes effective.

(Adds R.S. 47:1721 and 1722)