
DIGEST

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HB 54 Engrossed

2020 First Extraordinary Session

Ivey

Abstract: Establishes the La. Capital Investment Program which provides 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 provides for a statement of purpose for the La. Capital Investment Program, hereinafter "program".

Proposed law provides a definition for the terms "board", "department", "local authorities", and "parish authorities".

Proposed law requires the Department of Economic Development hereinafter "dept.", to adopt and promulgate rules to administer the program in compliance with the Administrative Procedure Act.

Proposed law establishes a notification process that requires the dept. to notify parish authorities within ten days of the creation or modification of a program. Proposed law further provides that the notification shall include program details, deadlines, language for resolutions, and specific forms.

Proposed law establishes an enrollment process for the program. A parish can enroll in a program upon the approval of all parish authorities evidenced by a resolution submitted to the dept.

Proposed law provides that if a parish disapproves participation in a program it shall submit a resolution to the dept. stating such. Proposed law further provides that if no local authority notifies the dept. that it disapproves participation within 60 days of the program's effective date, the parish shall be automatically enrolled.

Proposed law authorizes a parish to change disapproval to approval by rescinding the disapproval resolution.

Proposed law authorizes a parish to withdraw from a program within five years following enrollment. Proposed law further provides a parish can withdraw if all local authorities submit a resolution stating such. The withdrawal is effective 90 days following the dept.'s receipt of the resolution.

Proposed law provides that if the legislature passes a law that substantively changes a capital investment program a parish may withdraw from the program by resolution stating such. The

resolution shall be submitted no later than 60 days after the effective date of the applicable legislation.

Proposed law identifies businesses that constitute the manufacturing, technology, telecommunication, healthcare, logistic, warehouse, and distribution sectors for the purposes of this program.

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

Proposed law requires the dept. to establish an application procedure for the standard exemption in accordance with the constitution. Proposed law further provides that the board shall review a standard ad valorem tax exemption in a timely manner and confirm program eligibility for each application. Within ten days of confirmation, the board shall provide the applicant and local authorities with a copy of the conditional approval.

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 requires the dept. to 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 dept.'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 dept., shall enter into a cooperative endeavor agreement evidencing the exemption.

Proposed law requires that the parish governing authority 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 to 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 through 1728)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Create new parts within the chapter.
2. Add a statement of purpose for the La. Capital Investment Program.
3. Add definitions for "local authorities" and "parish authorities" and remove the term and definition of "political subdivision".
4. Add provisions for the adoption and promulgation of rules in compliance with the Administrative Procedure Act.
5. Add provisions relative to the notification, enrollment, and withdrawal processes.
6. Add provisions to identify different industry sectors established within the La. Capital Investment Program.
7. Change the processes for the review and approval of the standard exemption.
8. Make technical changes.