



1 enter into contracts for the exemption from ad valorem taxes of up to eighty-five  
2 percent of the assessed value of a new manufacturing establishment or an addition  
3 to an existing manufacturing establishment, on such terms and conditions as the  
4 board, with the approval of the governor, deems in the best interest of the state.

5 The exemption shall be for an initial term of no more than five calendar  
6 years, and may be renewed for an additional ~~five~~ two years. All property exempted  
7 shall be listed on the assessment rolls and submitted to the Louisiana Tax  
8 Commission or its successor, but no taxes shall be collected thereon during the  
9 period of exemption.

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

15 Section 2. Be it further resolved that the provisions of the amendment contained in  
16 this Joint Resolution shall become effective on January 1, 2016, and shall be applicable to  
17 all contracts executed on and after that date.

18 Section 3. Be it further resolved that this proposed amendment shall be submitted  
19 to the electors of the state of Louisiana at the statewide election to be held on October 24,  
20 2015.

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

25 Do you support an amendment restricting the Board of Commerce and  
26 Industry from entering into contracts granting an exemption from local ad  
27 valorem property taxes for more than 85% of the assessed value of  
28 manufacturing establishments and additions to existing manufacturing  
29 establishments and to limit the term of renewals of such contracts to no more

1                    than two years instead of five years? (January 1, 2016) (Amends Article VII,  
2                    Section 21(F))

## DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 361 Original

2015 Regular Session

Jay Morris

**Abstract:** Reduces the amount of the ad valorem property tax exemption on manufacturing establishments or additions from a 100% exemption to an exemption which shall not exceed 85% of the assessed value of the property and reduces the term of the renewal from an additional five years to not more than two years.

Present constitution requires the assessment of property for purposes of ad valorem taxation. The assessed value of a property shall be based on a percentage of the property's fair market value.

Present constitution provides for a list of property exempt from ad valorem property tax in addition to the homestead exemption.

Present constitution authorizes the State Board of Commerce and Industry, with the approval of the governor, to enter into contracts exempting new manufacturing establishments or additions to existing manufacturing establishments from ad valorem property taxes on terms and conditions the board deems in the best interest of the state. The initial term of the exemption contract shall be for no more than five calendar years with authorization for a renewal for an additional five years.

Proposed constitutional amendment changes present constitution by reducing the amount of the exemption on manufacturing establishments or additions to manufacturing establishments from a 100% exemption to an exemption which shall not exceed 85% of the assessed value of the property. Proposed constitutional amendment further reduces the term of the renewal from an additional five years to not more than two years.

Present constitution defines a "manufacturing establishment" or an "addition" as a new plant or establishment or an addition or additions to any existing plant or establishment which engages in the business of working raw materials into wares suitable for use or which gives new shapes, qualities or combinations to matter which has gone through some artificial process.

Proposed constitutional amendment retains present constitution.

Effective Jan. 1, 2016, and is applicable to all contracts executed on and after that date.

Provides for submission of the proposed amendment to the voters at the statewide election to be held October 24, 2015.

(Amends Art. VII, §21(F))