

2017 Regular Session

SENATE BILL NO. 140

BY SENATORS WALSWORTH AND THOMPSON

TAX EXEMPTIONS. Constitutional Amendment to exempt from ad valorem taxation certain property delivered to a construction site. (2/3 - CA13s1(A))

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A JOINT RESOLUTION

Proposing to enact Article VII, Section 21(N) of the Constitution of Louisiana, relative to ad valorem tax exemptions; to provide for the exemption of certain property under construction; and to specify an election for submission of the proposition to electors and provide a ballot proposition.

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, for their approval or rejection in the manner provided by law, a proposal to enact 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)(1) All property, other than public service property, delivered to a construction project site for the purpose of incorporation into a building or other construction and buildings and other constructions under construction,**

1 until the completion of the construction project.

2 (2) "Complete" shall mean the date a certificate of occupancy or  
3 completion is issued for the construction, or portion thereof, or the date that the  
4 construction, or portion thereof, is first available for use or occupancy,  
5 whichever occurs first.

6 (3) Notwithstanding the provisions of Subparagraph (1) of this  
7 Paragraph, this exemption shall not apply to:

8 (a) Any portion of a construction project that is complete, available for  
9 use, or operational on the date that property is assessed.

10 (b) Any phase of a construction project that will be constructed in two  
11 or more distinct phases, that is complete, available for use, or operational on the  
12 date that property is assessed.

13 Section 2. Be it further resolved that this proposed amendment shall be submitted  
14 to the electors of the state of Louisiana at the special statewide election to be held on  
15 October 14, 2017, if authorized by law enacted at the 2017 Regular Session of the  
16 Legislature, or if not so authorized, to the electors of the state of Louisiana at the statewide  
17 election to be held on November 6, 2018.

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

22 Do you support an amendment to prohibit the imposition of property tax on  
23 property under construction?

24 (Adds Article VII, Section 21(N))

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The original instrument was prepared by Jerry J. Guillot. The following digest, which does not constitute a part of the legislative instrument, was prepared by McHenry Lee.

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## DIGEST

SB 140 Reengrossed

2017 Regular Session

Walsworth

Present constitution provides that certain property is exempt from ad valorem taxation.

Proposed constitutional amendment exempts all property, other than public service property, delivered to a construction project site for the purpose of incorporation into a building or other construction and buildings and other constructions under construction, until the completion of the construction project.

Proposed constitutional amendment provides for the definition of "complete".

Proposed constitutional amendment provides the following exceptions to the exemption:

- (1) Any portion of a construction project that is complete, available for use, or operational on the date the property is assessed.
- (2) Any phase of a construction project that will be constructed in two or more distinct phases, that is complete, available for use, or operational on the date the property is assessed.

Specifies submission of the amendment to the voters at the statewide election to be held on October 14, 2017, if authorized by law enacted at the 2017 Regular Session of the Legislature, or if not so authorized at the statewide election to be held on November 8, 2018.

(Adds Article VII, Section 21(N))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Removes property subject to a cooperative agreement from the exemption.
2. Adds to the list of properties exempt from ad valorem taxation certain properties delivered in a construction project.
3. Provides for the election dates for the proposed amendment.

Senate Floor Amendments to engrossed bill

1. Adds the definition of "complete".
2. Adds certain exceptions to the property exempt from ad valorem taxation.