

CONFERENCE COMMITTEE REPORT

SCR 129

2019 Regular Session

White

June 5, 2019

To the Honorable President and Members of the Senate and to the Honorable Speaker and Members of the House of Representatives.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning Senate Concurrent Resolution No. 129 by Senator White, recommend the following concerning the Original bill:

- 1. That all House Floor Amendments proposed by Representative James and adopted by the House of Representatives on June 4, 2019, be rejected.
- 2. That the following amendments to the reengrossed bill be adopted:

AMENDMENT NO. 1

On page 1, line 2, after "To" delete "urge and"

AMENDMENT NO. 2

On page 1, line 3, after "applications" insert:

"; to request the Department of Economic Development to amend the rules that provide for the administration of local approval for industrial ad valorem tax exemption applications"

AMENDMENT NO. 3

On page 2, between lines 5 and 6, insert:

"BE IT FURTHER RESOLVED that the Legislature of Louisiana does hereby request the Department of Economic Development to amend LAC 13:I.503(E)(4) and (H), 513(B), and 529(C) to read as follows:

§503. Advance Notification; Application

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E. In order to receive the board's approval, applications with advance notifications filed after June 24, 2016, shall include an exhibit A containing the following terms and conditions:

\* \* \*

4. That the department, on behalf of the board, will notify the local ~~governmental entities~~ review board and the assessor when jobs and/or payroll requirements are not met in accordance with the exhibit A;

\* \* \*

H. ~~Upon the board's approval of an application, the department, on behalf of the board, shall, within three business days, transmit a copy of the approval and Exhibit A by mail or electronic mail to each local governmental authority and the assessor and the department shall post notice of the board's approval of an application on the department's website within three business days of approval, upon which date shall begin a notice period of 30 days for the parish governing authority (speaking on behalf of the parish and all parish bodies who are located outside the boundary of any affected municipality who receive a millage), the school board, any applicable municipality (speaking on behalf of the municipality and all municipal bodies who receive a millage) and the sheriff to initiate action to approve or reject the board's action as provided hereinafter.~~ 1. Each parish in the state shall create a local review

board to review and provide a recommendation of applications submitted to the board for the industrial ad valorem tax exemption program. The local review board shall be comprised of the following members:

~~1. Within the 30-day notice period, the parish governing authority, the school board, or any affected municipality may identify the application on the agenda of a public meeting notice and the sheriff may issue a letter approving or denying the application, and notice of these actions shall be given to the department within 3 business days. A local governmental entity that places the application on the agenda for a public meeting will have an additional 30 days (for a total of 60 days from the start of the notice period) to conduct a public meeting issuing a resolution approving or rejecting the board approved application, and notice of the issuance shall be given to the department within 3 business days. If a local governmental entity does not take action or provide notice as required herein, then the application will be deemed approved by each such entity.~~

~~2. Within 60 days of the promulgation of these rules, the local governmental entities for each parish (in consultation with the parish assessor and, upon request, with guidance from the department), shall make best efforts to develop reasonable guidelines for application approval and/or denial and if so desired, penalty guidelines for failure to achieve and maintain jobs and/or payroll as required by the exhibit A.~~

~~a. the president of the parish governing authority of the parish in which the project seeking the ad valorem exemption is located, or, if the project is located within the boundaries of a municipality, the president of the parish, the administrator of the commission, or the president of the parish governing authority may defer his membership on this board to the chief elected member of the corresponding municipality;~~

~~b. the sheriff of the parish;~~

~~c. the president of the parish school board.~~

~~2.a. The local review board shall review all industrial ad valorem tax exemption applications provided by the board.~~

~~b. The department shall post notice of the board's initial approval of an ad valorem exemption application on the department's website within three business days, upon which date begins a notice period of sixty days for the local review board to review, hold a public meeting, and provide a recommendation on the application.~~

~~c. Within three business days of the board's initial approval of an ad valorem exemption application, the department on behalf of the board shall transmit a copy of the initial approval and cooperative endeavor agreement by mail or electronic mail to the president of the parish governing authority at his official address. The president of the parish governing authority shall transmit a copy of the application and accompanying documents by mail or electronic mail to each local review board member within three business days of receipt. A recommendation approving the application of an industrial ad valorem tax exemption shall require approval of a majority of the members of the local review board. The president of the parish governing authority shall give notice of the local review board rendering its decision.~~

~~3. Within thirty days of the promulgation of these rules, the local review board shall establish guidelines for application approval or denial. The local review board shall post a copy of these rules on the parish governing authority's website within three business days of promulgation.~~

\* \* \*

§513. Relocations

\* \* \*

~~B. If a manufacturing establishment moves from one location in the state to another location within the state, the company shall be required to seek approval of the parish governing authority, the school board, the sheriff, and any municipality local review board in the parish in which the manufacturing establishment will be located if these local governing authorities are it is different than those that which approved the exemption at the original site.~~

\* \* \*

§529. Renewal of Tax Exemption Contract

\* \* \*

C. The board shall have the option of submitting a board approved renewal application to the local ~~governmental entities~~ review board for approval in accordance with the procedures for approval of the initial exemption contract.

\* \* \*"

Respectfully submitted,

Senators:

Representatives:

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Senator Mack "Bodi" White, Jr.

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Representative Thomas Carmody

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Senator Daniel Martiny

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Representative Rick Edmonds

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Senator Barrow Peacock

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Representative Franklin J. Foil

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The legislative instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore F. Heavey.

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## CONFERENCE COMMITTEE REPORT DIGEST

SCR 129

2019 Regular Session

White

### Keyword and summary of the bill as proposed by the Conference Committee

TAX/AD VALOREM-EXEMPTION. Requests the Department of Economic Development to develop uniform local review and approval standards for the Industrial Tax Exemption Program and to amend current Department of Economic Development rules relative to local approval procedures.

### Report rejects House amendments which would have:

1. Authorized the Department of Economic Development to promulgate uniform industrial ad valorem tax exemption application rules or guidelines rules only for those parishes that have not adopted their own local industrial ad valorem tax exemption application rules or guidelines.

### Report amends the bill to:

1. Request an amendment to the LAC to provide that each parish shall create a centralized local review board for the purpose of reviewing ad valorem tax exemption applications.
2. Request an amendment to the LAC to require the local board shall review each industrial ad valorem tax exemption application, hold a public meeting, and provide a recommendation within 60 days of notice from the Louisiana Board of Commerce and Industry.
3. Request an amendment to the LAC to require the local review board to approve an application by a majority vote in order for an application to be approved.
4. Request an amendment to the LAC to require that within 30 days of the promulgation of these proposed amended rules, the local review board shall establish guidelines for application approval or denial.
5. Request an amendment to the LAC to require that the local review board post a copy of the rules on the parish governing authority's website within three business days of promulgation.

### Digest of the bill as proposed by the Conference Committee

Requests the Department of Economic Development to develop uniform local review and approval standards for the Industrial Tax Exemption Program and to amend current Department of Economic Development rules relative to local approval procedures.

Present LAC provides that each local governmental authority who receives a millage, the school board, and the sheriff may review the proposed ad valorem tax exemption application provided by the Louisiana Board of Commerce and Industry.

Requested LAC would provide that each parish shall create a centralized local review board for the purpose of reviewing ad valorem tax exemption applications.

Requested LAC would provide that the local review board be comprised of the following members:

- (1) The president of the parish governing authority or the chief elected member of the municipality in which the project is located.

- (2) The sheriff of the parish in which the project is located.
- (3) The president of the parish school board.

Present LAC provides that upon the Louisiana Board of Commerce and Industry's approval of an application, Louisiana Economic Development (LED) transmits a copy of the application to each local governmental authority and the local tax assessor.

Requested LAC would provide that upon the Louisiana Board of Commerce and Industry's approval of an application LED transmits a copy of the application to the parish president acting as a liaison to the local review board. The parish president then disburses the application to the other members of the local board.

Present LAC does not require any local governmental authority receiving a millage, the school board, or the sheriff to review a proposed ad valorem tax exemption application; however, failure to review an application after 30 days notice results in automatic approval.

Requested LAC would provide that the local board shall review each industrial ad valorem tax exemption application, hold a public meeting, and provide a recommendation within 60 days of notice from the Louisiana Board of Commerce and Industry.

Requested LAC would require the local review board to approve an application by a majority vote in order for an application to be approved.

Present LAC would require local governmental entities in each parish to make best efforts to develop reasonable guidelines for application approval and/or denial.

Requested LAC would require that within 30 days of the promulgation of these proposed amended rules, the local review board shall establish guidelines for application approval or denial. Requested LAC would also require that the local review board post a copy of the rules on the parish governing authority's website within three business days of promulgation.