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The original instrument was prepared by Thomas L. Tyler. The following digest, which does not constitute a part of the legislative instrument, was prepared by Curry J. Lann.

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SB 151 Engrossed

DIGEST  
2022 Regular Session

Pope

Present constitution authorizes the State Board of Commerce and Industry, with the governor's approval, to execute contracts for exemption from ad valorem taxes of a new manufacturing establishment or an addition to an existing manufacturing establishment, on such terms and conditions as the board, with the governor's approval, deems in the best interest of the state.

Proposed constitutional amendment adds the following restrictions to exemptions authorized under present constitution:

- (1) No initial contract entered shall exceed a term of five years. A manufacturing establishment is only eligible for a renewal if it has met all the terms and conditions of the initial contract and the renewal shall not exceed a term of five years.
- (2) Prohibits granting an exemption or renewal without the approval of the local sheriff, the parish governing authority, school board, and if applicable, the municipal government where the exemption is sought. Any approval or denial by a tax recipient body of an exemption or renewal is effective against that portion of the millage attributable to that body.
- (3) Provides that the exemption shall not exceed eighty percent of the ad valorem taxes that otherwise would be owed to each tax recipient body approving the exemption or renewal.
- (4) Prohibits exemptions for miscellaneous capital additions, maintenance capital, required environmental upgrades, or new replacements for existing machinery.
- (5) Prohibits exemptions for a project unless the project results in the creation of net new permanent direct jobs or is required to retain the existing number of direct permanent jobs.
- (6) Provides that no contract for an exemption be granted unless accompanied by a formal written analysis by the State Board of Commerce and Industry of the costs and benefits of the exemption to the public.
- (7) Defines the term "maintenance capital" to mean capital expenditures at a manufacturing establishment that do not bring about a net increase in the establishment's property value after depreciation.

Specifies submission of the amendment to the voters at the statewide election to be held on November 8, 2022.

(Amends Const. Art. VII, Sec. 21(F))

Summary of Amendments Adopted by Senate

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

1. Authorizes exemptions for a project that results in the creation of net new permanent direct jobs or retains the existing number of direct permanent jobs.
2. Provides for technical changes.