
DIGEST

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Nevers

SB No. 271

Proposed law creates the "Forestry Product Fairness Act."

Proposed law recognizes the contribution the forest products industry makes to the state and the importance of the continued health of the industry to the state's economy. Provides that a fair and equitable process for awarding state incentives to the forest products industry is necessary to maintain economic viability. Provides that the purpose of proposed law is to ensure an open process for awarding incentives that encourages the use of forest products, but does not give one segment of the forest products industry an unfair advantage and does not put existing businesses at a competitive disadvantage.

Proposed law defines "forest products" as products that are derived from woody biomass; forest wood waste, including residual tops and limbs of trees, unused cull trees, pre-commercial thinnings, and wood or debris from noncommercial tree species, slash or brush; and any wood chips or fibers or other organic substances and any inorganic substances recovered from forest wood waste or produced as byproducts of processing wood.

Proposed law defines "incentive" as a tax exemption, tax credit, tax exclusion, tax deduction, rebate, incentive, investment, contract, or grant". Incentive does not mean benefits available under the La. Quality Jobs Program, Louisiana Enterprise Zone Act, Industry Assistance, Industrial Tax Exemption, Economic Development Award Program, Economic Development Loan Program, Tax Equalization, Rapid Response Fund or Mega-Project Development Fund.

Proposed law requires that any incentive to directly support the purchase of forest products be approved by the commissioner through a fair and equitable application process.

Proposed law requires that the application process be available to individuals and both new and existing partnerships, corporations, associations or other legal entities.

Proposed law requires the commissioner and secretary of the Dept. of Economic Development to promulgate rules and regulations in accordance with the Administrative Procedures Act, subject to oversight by the House Ways and Means and Senate Revenue and Fiscal Affairs Committees.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 3:4421-4425)

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill.

1. Provides legislative purpose statement.
2. Provides definition of available incentives.
3. Expands list of incentives available.
4. Changes category of purchased items eligible for incentives from "forest product raw materials" to "forest products."
5. Requires that rules and regulations be promulgated in consultation with the secretary of the Dept. of Economic Development.

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the reengrossed bill.

1. Adds definition of "incentives".
2. Adds provision regarding the rules promulgated by the Commissioner of Agriculture and secretary of Dept. of Economic Development. Provides for oversight by the House Ways and Means and Senate Revenue and Fiscal Affairs Committees.