

Regular Session, 2012

HOUSE BILL NO. 674

BY REPRESENTATIVE ROBIDEAUX

TAX/AD VALOREM-EXEMPTION: (Constitutional Amendment) Authorizes the granting of ad valorem tax exemption contracts by the Board of Commerce and Industry for certain businesses

1 A JOINT RESOLUTION

2 Proposing to add Article VII, Section 21(L) of the Constitution of Louisiana, to authorize
3 the granting of ad valorem tax exemption contracts to certain businesses; to authorize
4 the Board of Commerce and Industry to enter into contracts; to provide with respect
5 to contract approvals; to provide for certain contract limitations; to provide with
6 respect to the assessment and taxation of property subject to a contract; to require the
7 legislature to establish a program for the granting of contracts; to provide for
8 effectiveness; to provide for submission of the proposed amendment to the electors;
9 and to provide for related matters.

10 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
11 elected to each house concurring, that there shall be submitted to the electors of the state of
12 Louisiana, for their approval or rejection in the manner provided by law, a proposal to add
13 Article VII, Section 21(L) of the Constitution of Louisiana, to read as follows:

14 §21. Other Property Exemptions

15 Section 21. In addition to the homestead exemption provided for in Section
16 20 of this Article, the following property and no other shall be exempt from ad
17 valorem taxation:

18 * * *

1 (L)(1) Notwithstanding any provision of this constitution to the contrary, the
2 State Board of Commerce and Industry or its successor may enter into a contract for
3 the exemption from ad valorem taxes of property owned by an eligible business
4 which is located in a parish and, if applicable, municipality and school district, which
5 has agreed to participate in a program for the granting of such contracts. The
6 contract shall be subject to approval by the governor and shall be made on such
7 terms and conditions as deemed by the board to be in the best interest of the state.
8 The legislature may provide by law for approval of contracts by the board, the parish
9 governing authority, and if applicable, the governing authority of the municipality
10 and governing authority of the school district.

11 (2) The contract shall be for an initial term of no more than five calendar
12 years, subject to renewals as provided by law. The renewal of a contract shall not
13 be contingent upon the continued participation in the program by a parish, and, if
14 applicable, municipality or school district.

15 (3) All property exempted pursuant to a contract shall be listed on the
16 assessment rolls and submitted to the Louisiana Tax Commission or its successor,
17 but no taxes shall be collected thereon during the period of exemption; however, the
18 exemption shall in no way affect or impair the security of any existing bonds payable
19 from the proceeds of a tax.

20 (4) The legislature shall establish a program for the granting of contracts,
21 except for provisions governing the inclusion or exclusion of specific taxes which
22 shall be as provided in this Paragraph.

23 Section 2. Be it further resolved that this proposed amendment shall be submitted
24 to the electors of the state of Louisiana at the statewide election to be held on November 6,
25 2012.

26 Section 3. Be it further resolved that the provisions of the amendment contained in
27 this Joint Resolution shall become effective on January 1, 2013.

28 Section 4. Be it further resolved that on the official ballot to be used at the election,
29 there shall be printed a proposition, upon which the electors of the state shall be permitted

1 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
2 follows:

3 Do you support an amendment to authorize the granting of ad valorem tax
4 exemption contracts by the Board of Commerce and Industry for businesses
5 located in parishes which have chosen to participate in a program established
6 for the granting of such contracts? (Effective January 1, 2013) (Adds Article
7 VII, Section 21(L))

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)]

Robideaux

HB No. 674

Abstract: Authorizes the Board of Commerce and Industry to grant ad valorem tax exemption contracts for businesses located in parishes participating in a program for the granting of such tax exemptions.

Proposed constitution authorizes the granting of an ad valorem tax exemption contract by the State Board of Commerce and Industry, hereinafter "board", or its successor for the property of an eligible business which is located in a parish, and, where applicable, municipality or school district which has agreed to participate in the program. Contracts are subject to gubernatorial approval and shall be made on such terms and conditions as deemed by the board to be in the best interest of the state. The legislature is authorized to provide by law for approval of contracts by the parish governing authority and the board.

Proposed constitution requires that all property exempted pursuant to a contract be listed on the assessment rolls, but no taxes shall be collected thereon during the period of exemption; however, the exemption shall in no way affect or impair the security of any existing bonds payable from the proceeds of a tax.

Proposed constitution provides that the initial term of a contract shall be up to five calendar years, and may be renewed as provided by law. The renewal of a contract shall not be contingent upon a parish's, and, if applicable, municipality's or school district's continued participation in the program.

Proposed constitution directs the legislature to establish a program for the granting of contracts, with the exception that provisions regarding specific taxes shall be as provided in proposed constitution.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 6, 2012.

Effective Jan. 1, 2013.

(Adds Const. Art. VII, §21(L))

Summary of Amendments Adopted by House

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

1. Added authorization for the legislature to provide by law for approval of contracts by the parish governing authority and the board.

House Floor Amendments to the engrossed bill.

1. Added approval authority for municipalities and school districts relative to program participation and the granting of ad valorem tax exemption contracts.