

Regular Session, 2013

HOUSE BILL NO. 709

BY REPRESENTATIVE HUNTER

TAX: Provides relative to exemptions for industry

1 AN ACT

2 To amend and reenact R.S. 47:3204(D) and to enact R.S. 47:3203(C), 3204(B)(3), and
3 4302(E), relative to tax exemption contracts with the Board of Commerce and
4 Industry; to provide for review and approval of certain tax exemption contracts; to
5 provide for certain determination of the effect of certain tax exemption contracts; and
6 to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:3204(D) is hereby amended and reenacted and R.S. 47:3203(C),
9 3204(B)(3), and 4302(E) are hereby enacted to read as follows:

10 §3203. Review of exemption applications and reevaluation of existing contract

11 * * *

12 C. The governor shall not approve any contract for exemption if a majority
13 of the elected members of each house of the legislature determine that any contract
14 for exemption would cause undue socioeconomic duress and financial hardship.
15 Such determination may be made by concurrent resolution or by mail ballot if the
16 legislature is not in session.

17 §3204. Contracts of exemption; renegotiation; violations; lists; priority of
18 exemptions

19 * * *

20 B.

21 * * *

1 (3) No contract of exemption entered into under authority of this Chapter
2 shall be renewed for any additional period pursuant to this Subsection unless the
3 renewal is approved by a majority of the elected members of each house of the
4 legislature.

5 * * *

6 D.(1) Noncompliance with any of the terms and conditions of the contract
7 under which exemptions are granted is grounds for termination of the contract. If the
8 Board of Commerce and Industry determines that noncompliance with the terms and
9 conditions of the contract under which exemptions are granted has occurred, it shall
10 notify the business entity of the determination. If the violation is not corrected
11 within ninety days, the Board of Commerce and Industry shall hold a hearing to
12 determine whether the contract of exemption should be terminated.

13 (2)(a) If a majority of the elected members of each house of the legislature
14 determine that the tax exemptions granted by a contract or contracts under this
15 Chapter cause undue socioeconomic duress and financial hardship, the Board of
16 Commerce of Industry shall terminate such contract within ninety days of such
17 determination by the legislature. Such determination may be by concurrent
18 resolution or by mail ballot if the legislature is not in session.

19 * * *

20 §4302. Contracts of exemption; renegotiation; violation; lists

21 * * *

22 E.(1) The governor shall not approve any contract for exemption pursuant to
23 this Chapter if a majority of the elected members of each house of the legislature
24 determine that any contract for exemption would cause undue socioeconomic duress
25 and financial hardship. Such determination may be made by concurrent resolution
26 or by mail ballot if the legislature is not in session.

27 (2) No contract of exemption entered into under this Chapter shall be
28 renewed for any additional period pursuant to this Section unless the renewal is
29 approved by a majority of the elected members of each house of the legislature.

1 (3) If a majority of the elected members of each house of the legislature
2 determine that the tax exemptions granted by a contract or contracts under this
3 Chapter cause undue socioeconomic duress and financial hardship, the Board of
4 Commerce of Industry shall terminate such contract within ninety days of such
5 determination by the legislature. Such determination may be by concurrent
6 resolution or by mail ballot if the legislature is not in session.

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)]

Hunter

HB No. 709

Abstract: Prohibits new tax exemption contracts if the legislature determines that such contracts would cause undue socioeconomic duress and financial hardship. Requires the termination of a tax exemption contract or prohibits the renewal of a tax exemption contract if the legislature determines that the tax exemptions granted by a contract or contracts cause undue financial duress and financial hardship.

Present law provides for contracts of exemption from taxation for certain manufacturing establishment, headquarters, or warehousing and distribution establishments. The Board of Commerce and Industry reviews recommendations of the Dept. of Economic Development. If recommended by the Board of Commerce and Industry, the Dept. of Revenue may review and state any objection. The Board of Commerce and Industry then sends the recommendation to the governor for final approval. The governor then has 30 days for final approval.

Proposed law provides that the governor shall not approve any contract for exemption if a majority of the elected members of each house of the legislature determine that any contract for exemption would cause undue socioeconomic duress and financial hardship. Such determination may be made by concurrent resolution or by mail ballot if the legislature is not in session.

Present law provides for renewals of tax exemption contracts.

Proposed law prohibits the renewal of any contract for exemption unless the renewal is approved by a majority of the elected members of each house of the legislature.

Present law provides for termination of contracts. Noncompliance with any of the terms and conditions of the contract under which exemptions are granted are grounds for termination of the contract.

Proposed law requires the Board of Commerce and Industry to terminate any contract for exemption if a majority of the elected members of each house of the legislature determine that such contract for exemption would cause undue socioeconomic duress and financial hardship. Such determination may be made by concurrent resolution or by mail ballot if the legislature is not in session.

Present law provides for contracts for tax exemptions for certain Vision 2020 businesses. Authorizes the Board of Commerce and Industry with approval of the governor and the Joint Legislative Committee on the Budget to enter into such contracts.

Proposed law provides that the governor shall not approve any contract for exemption if a majority of the elected members of each house of the legislature determine that any contract for exemption would cause undue socioeconomic duress and financial hardship. Such determination may be made by concurrent resolution or by mail ballot if the legislature is not in session.

Proposed law prohibits the renewal of any contract for exemption unless the renewal is approved by a majority of the elected members of each house of the legislature.

Proposed law requires the Board of Commerce and Industry to terminate any contract for exemption if a majority of the elected members of each house of the legislature determine that such contract for exemption would cause undue socioeconomic duress and financial hardship. Such determination may be made by concurrent resolution or by mail ballot if the legislature is not in session.

(Amends R.S. 47:3204(D); Adds R.S. 47:3203(C), 3204(B)(3), and 4302(E))