SLS 23RS-300

## ORIGINAL

2023 Regular Session

SENATE BILL NO. 126

BY SENATOR FIELDS

TAX EXEMPTIONS. Constitutional amendment to provide that all 10-Year Industrial Exemption contracts renewed after 12/31/2023 shall be renewed only on condition that the exemption shall not apply to taxes levied for purposes related to elementary and secondary education. (2/3-CA13s1(A))

1	A JOINT RESOLUTION
2	Proposing to amend Article VII, Section 21(F) of the Constitution of Louisiana, relative to
3	contracts of exemption from certain ad valorem property taxes; to provide that
4	contracts may only be renewed under certain conditions; and to specify an election
5	for submission of the proposition to electors and provide a ballot proposition.
6	Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
7	elected to each house concurring, that there shall be submitted to the electors of the state, for
8	their approval or rejection in the manner provided by law, a proposal to amend Article VII,
9	Section 21(F) of the Constitution of Louisiana, to read as follows:
10	§21. Other Property Exemptions
11	Section 21. In addition to the homestead exemption provided for in Section
12	20 of this Article, the following property and no other shall be exempt from ad
13	valorem taxation:
14	* * *
15	(F)(1) Notwithstanding any contrary provision of this Section, the State
16	Board of Commerce and Industry or its successor, with the approval of the governor,
17	may enter into contracts for the exemption from ad valorem taxes of a new

Page 1 of 3 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

1	manufacturing establishment or an addition to an existing manufacturing
2	establishment, on such terms and conditions as the board, with the approval of the
3	governor, deems in the best interest of the state.
4	(2) The exemption shall be for an initial term of no more than five calendar
5	years, and may be renewed for an additional five years; provided that, all contracts
6	renewed after December 31, 2023 shall only be renewed on condition that the
7	exemption shall not apply to taxes levied for purposes related to elementary and
8	secondary education.
9	(3) All property exempted shall be listed on the assessment rolls and
10	submitted to the Louisiana Tax Commission or its successor, but no taxes shall be
11	collected thereon during the period of exemption.
12	(4) The terms "manufacturing establishment" and "addition" as used herein
13	mean a new plant or establishment or an addition or additions to any existing plant
14	or establishment which engages in the business of working raw materials into into
15	wares suitable for use or which gives new shapes, qualities or combinations to matter
16	which already has gone through some artificial process.
17	* * *
18	Section 2. Be it further resolved that this proposed amendment shall be submitted
19	to the electors of the state of Louisiana at the statewide election to be held on October 14,
20	2023.
21	Section 3. Be it further resolved that this proposed amendment, if approved by the
22	electors, shall become effective on January 1, 2024.
23	Section 4. Be it further resolved that on the official ballot to be used at said election
24	there shall be printed a proposition, upon which the electors of the state shall be permitted
25	to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
26	follows:
27	Do you support an amendment to provide that all industrial exemption
28	contracts renewed after December 31, 2023 shall only be renewed on the
29	condition that the exemption shall not apply to taxes levied for purposes

Page 2 of 3 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

SB 126 Original

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related to elementary and secondary education?

(Amends A

(Amends Article VII, Section 21(F))

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Emily W. Toler.

## DIGEST 2023 Regular Session

Fields

<u>Present constitution</u> authorizes the Board of Commerce and Industry, with the approval of the governor, to enter into contracts for exemption from ad valorem taxes with new manufacturing establishments or additions to existing manufacturing establishments, on such terms and conditions as the board, with the approval of the governor, deems in the best interest of the state. The contracts are for a term of five years, and are renewable for up to an additional five years.

<u>Proposed constitutional amendment</u> provides that all such contracts renewed after December 31, 2023, shall only be renewed on the condition that the exemption shall not apply to taxes levied for purposes related to elementary and secondary education.

Specifies submission of the amendment to the voters at the statewide election to be held on October 14, 2023.

Effective January 1, 2024.

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