2017 Regular Session

HOUSE BILL NO. 180

BY REPRESENTATIVE CARMODY

TAX/AD VALOREM-EXEMPTION: (Constitutional Amendment) Provides with respect to the ad valorem property tax exemption for certain manufacturers

1	A JOINT RESOLUTION
2	Proposing to amend Article VII, Section 21(F) of the Constitution of Louisiana, to provide
3	for ad valorem property tax exemptions; to provide with respect to the exemption for
4	certain property of manufacturing establishments; to provide relative to authorization
5	to approve exemptions; to require the legislature to provide by law for certain
6	provisions concerning the exemption; to provide for effectiveness; to provide for
7	submission of the proposed amendment to the electors; and to provide for related
8	matters.
9	Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
10	elected to each house concurring, that there shall be submitted to the electors of the state of
11	Louisiana, for their approval or rejection in the manner provided by law, a proposal to
12	amend Article VII, Section 21(F) of the Constitution of Louisiana, to read as follows:
13	§21. Other Property Exemptions
14	Section 21. In addition to the homestead exemption provided for in Section
15	20 of this Article, the following property and no other shall be exempt from ad
16	valorem taxation:
17	* * *
18	(F) Notwithstanding any contrary provision of this Section, the State Board
19	of Commerce and Industry or its successor, with the approval of the governor, may
20	enter into contracts for the there is hereby authorized an exemption from ad valorem

Page 1 of 3

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	taxes for the property of a new manufacturing establishment or an addition to an		
2	existing manufacturing establishment, on such terms and conditions as the board,		
3	with the approval of the governor, deems in the best interest of the state.		
4	(1) 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. All property exempted shall		
6	be listed on the assessment rolls and submitted to the Louisiana Tax Commission or		
7	its successor, but no taxes shall be collected thereon during the period of exemption.		
8	(2) The terms "manufacturing establishment" and "addition" as used herein		
9	mean a new plant or establishment or an addition or additions to any existing plant		
10	or establishment which engages in the business of working raw materials into wares		
11	suitable for use or which gives new shapes, qualities or combinations to matter which		
12	already has gone through some artificial process.		
13	(3) The legislature by law shall establish a program for implementation and		
14	governance of this exemption, which may include requirements for application for		
15	and approval of the granting of an exemption, and additional eligibility requirements		
16	restricted to those that concern expectations for returns on investment for local		
17	governments. Any law establishing a procedure concerning the authority to approve		
18	an exemption, once enacted, shall not be changed except by specific legislative		
19	instrument which receives a favorable vote of two-thirds of the elected members of		
20	each house of the legislature.		
21	* * *		
22	Section 2. Be it further resolved that this proposed amendment shall be submitted		
23	to the electors of the state of Louisiana at the statewide election to be held on October 14,		
24	2017.		
25	Section 3. Be it further resolved that on the official ballot to be used at the election,		
26	there shall be printed a proposition, upon which the electors of the state shall be permitted		
27	to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as		
28	follows:		

1	Do you support an amendment to require that the legislature provide by law
2	for a program governing various aspects of the ad valorem tax exemption for
3	new manufacturing establishments or additions to such an establishment, and
4	to remove the specific constitutional authority for approval of these
5	exemptions by the governor and the State Board of Commerce and Industry?
6	(Amends Art. VII, Sec. 21(F))

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)]

HB 180 Original	2017 Regular Session	Carmody
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Abstract: Requires the legislature to provide by law for a program governing the ad valorem tax exemption for certain property of a manufacturing establishment (ITEP) and removes specific provisions of <u>present constitution</u> granting authority for approval of the exemptions by the governor and the State Board of Commerce and Industry.

<u>Present constitution</u> authorizes an ad valorem property tax exemption for new manufacturing establishments and miscellaneous additions to existing establishments, hereinafter (exemption). The exemption is effectuated through a contract granted by the Board of Commerce and Industry, with the approval of the governor.

<u>Proposed constitutional amendment removes from present constitution</u> specific authority for the approval of the exemptions by the governor and the State Board of Commerce and Industry.

<u>Proposed constitutional amendment</u> changes <u>present constitution</u> by requiring the legislature to provide by law for a program governing various aspects of the exemption, which may include additional eligibility requirements restricted to those that concern expectations for returns on investment for local governments. Any law establishing a procedure concerning the authority to approve an exemption, once enacted, shall not be changed except by specific legislative instrument which receives a favorable vote of 2/3rds of the elected members of each house of the legislature.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Oct. 14, 2017.

(Amends Art. VII, § 21(F))