
DIGEST

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HB 440 Engrossed

2019 Regular Session

Ivey

Abstract: Establishes a standard and a non-standard property tax exemption for manufacturing establishments and additions to manufacturing establishments. A standard property tax exemption exempts 80% of a property from ad valorem taxes for a term of 7 years and a non-standard property tax exemption exempts a property from more than 80% of property taxes for a term of longer than 7 years.

Present constitution authorizes a property tax exemption (hereinafter "exemption") for new manufacturing establishments and miscellaneous additions to existing establishments for an initial term of five years, with a five year renewal. The exemption is effectuated through a contract granted by the Board of Commerce and Industry, with the approval of the governor.

Proposed constitutional amendment authorizes two ad valorem property tax exemptions for new manufacturing establishments and additions to existing manufacturing establishments as follows:

- (1) A standard exemption for a term of 7 years which exempts a property from 80% of its property taxes. The standard exemption is subject to approval by the Board of Commerce and Industry.
- (2) A non-standard exemption for a term of longer than 7 years which exempts a property from more than 80% of its property taxes. The non-standard exemption is only available to applicants if offered by the governor and is subject to approval by the governor and the House Ways and Means and Senate Revenue and Fiscal Affairs committees.

Proposed constitutional amendment retains present law related to listing property on tax assessment rolls and various definitions.

Provides for submission of the proposed amendment to the voters at the statewide election to be held October 12, 2019.

(Amends Art. VII, §21(F))

Summary of Amendments Adopted by House

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

1. Change the non-standard exemption approval from the governor to approval of the governor *and* the House Ways and Means and Senate Revenue and Fiscal Affairs committees.
2. Make technical changes.