2021 Regular Session

HOUSE BILL NO. 370

BY REPRESENTATIVE IVEY

TAX/AD VALOREM-EXEMPTION: (Constitutional Amendment) Establishes certain property tax exemptions for capital investment projects

1	A JOINT RESOLUTION
2	Proposing to enact Article VII, Section 21(O) of the Constitution of Louisiana, relative to
3	ad valorem property tax exemptions; to establish exemptions for certain property; to
4	establish exemptions for certain capital investment projects; to provide for the terms
5	of the exemptions; to provide for the amount of the exemptions; to provide
6	authorizations for approval of the exemptions; to provide for the administration of
7	the exemptions; to provide for review by the Board of Commerce and Industry; to
8	provide for approval from political subdivisions; to provide for gubernatorial
9	approval; to provide for certain limitations and requirements; to provide for
10	submission of the proposed amendment to the electors; and to provide for related
11	matters.
12	Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
13	elected to each house concurring, that there shall be submitted to the electors of the state of
14	Louisiana, for their approval or rejection in the manner provided by law, a proposal to add
15	Article VII, Section 21(O) of the Constitution of Louisiana, to read as follows:

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

1	§21. Other Property Exemptions
2	Section 21. In addition to the homestead exemption provided for in Section
3	20 of this Article, the following property and no other shall be exempt from ad
4	valorem taxation:
5	* * *
6	(O) Notwithstanding any contrary provision of this Section, there are hereby
7	authorized standard, local, and executive exemptions from ad valorem property taxes
8	for capital investment projects as follows:
9	(1) The standard exemption shall be for a term of eight calendar years and
10	shall exempt eighty percent of the ad valorem property taxes of the capital
11	investment project. The standard exemption shall be reviewed by the Board of
12	Commerce and Industry, or its successor as provided by law, and shall be subject to
13	local approval as prescribed by law.
14	(2) The local exemption shall be for a term of no more than fifteen years and
15	may exempt up to one hundred percent of the property taxes of the capital investment
16	project. The local exemption shall be subject to local approval as prescribed by law.
17	(3) The executive exemption shall be for a term determined by the governor
18	and may exempt up to one hundred percent of the property taxes of the capital
19	investment project. The executive exemption shall require approval from the
20	governor and shall be subject to local approval as prescribed by law.
21	(4) The enactment of a law to administer any exemption authorized in this
22	Paragraph shall require a favorable vote of two-thirds of the elected members of each
23	house of the legislature.
24	(5) Any entity eligible for the exemption provided for in Article VII, Section
25	21(F) of this constitution shall not be eligible for the exemption provided for in this
26	Paragraph.
27	* * *

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1	Section 2. Be it further resolved that this proposed amendment shall be submitted
2	to the electors of the state of Louisiana at the statewide election to be held on November 8,
3	2022.
4	Section 3. Be it further resolved that on the official ballot to be used at the election,
5	there shall be printed a proposition, upon which the electors of the state shall be permitted
6	to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
7	follows:
8	Do you support an amendment to authorize property tax exemptions for
9	capital investment projects, to provide for the approval, terms, and amounts
10	of the exemptions, and to authorize the legislature to provide for the
1	administration of the exemptions by law? (Adds Article VII, Section 21(O))

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)]

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Abstract: Establishes standard, local, and executive property tax exemptions for capital investment projects when the projects meet eligibility and approval standards pursuant to law.

<u>Present constitution</u> authorizes a property tax exemption for new manufacturing establishments and 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.

<u>Proposed constitutional amendment</u> authorizes three ad valorem property tax exemptions for capital investment projects as follows:

- (1) A standard exemption for a term of eight calendar years for 80% of property taxes. The exemption is subject to review by the Board of Commerce and Industry, and is subject to local approval as provided by law.
- (2) A local exemption for a term of no more than 15 calendar years for up to 100% of property taxes. The exemption is subject to local approval as provided by law.
- (3) An executive exemption for a term determined by the governor for up to 100% of property taxes. The exemption requires approval of the governor and is subject to local approval as provided by law.

<u>Proposed constitutional amendment</u> also requires that any law enacted to administer the new exemptions requires a favorable vote of two-thirds of the elected members of each house of the legislature.

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<u>Proposed constitutional amendment</u> prohibits entities eligible for the ad valorem tax exemption authorized pursuant to <u>present constitution</u> (Article VII, Section 21(F)) from being eligible for the ad valorem tax exemption in the <u>proposed constitutional amendment</u>.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 8, 2022.

(Adds Const. Art. VII, §21(O))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by <u>House Committee on Ways and Means</u> to the <u>original</u> bill:

- 1. Remove proposed changes to the industrial ad valorem tax exemption program.
- 2. Establish a new ad valorem tax exemption program for certain capital investment projects.
- 3. Prohibit entities eligible for the industrial ad valorem tax exemption program from eligibility for the new capital investment project tax exemption program.
- 4. Make technical changes.