HLS 23RS-532 ORIGINAL

2023 Regular Session

HOUSE BILL NO. 473

1

BY REPRESENTATIVE IVEY

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

A JOINT RESOLUTION

2 Proposing to add Article VII, Section 21(O) of the Constitution of Louisiana, relative to ad 3 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 authorizations for approval of the exemptions; to provide for the administration of 6 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: 16 §21. Other Property Exemptions 17 Section 21. In addition to the homestead exemption provided for in Section 20 of this Article, the following property and no other shall be exempt from ad 18 19 valorem taxation: 20

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1	(O) Notwithstanding any contrary provision of this Section, there are hereby
2	authorized standard, local, and executive exemptions from ad valorem property taxes
3	for capital investment projects as follows:
4	(1) The standard exemption shall be for a term of eight calendar years and
5	shall exempt eighty percent of the ad valorem property taxes of the capital
6	investment project. The standard exemption shall be reviewed by the Board of
7	Commerce and Industry, or its successor as provided by law, and shall be subject to
8	local approval as prescribed by law.
9	(2) The local exemption shall be for a term of no more than fifteen years and
10	may exempt up to one hundred percent of the property taxes of the capital investment
11	project. The local exemption shall be subject to local approval as prescribed by law.
12	(3) The executive exemption shall be for a term determined by the governor
13	and may exempt up to one hundred percent of the property taxes of the capital
14	investment project. The executive exemption shall require approval from the
15	governor and shall be subject to local approval as prescribed by law.
16	(4) The enactment of a law to administer any exemption authorized in this
17	Paragraph shall require a favorable vote of two-thirds of the elected members of each
18	house of the legislature.
19	Section 2. Be it further resolved that the provisions of the amendment contained in
20	this Joint Resolution shall become effective January 1, 2024, and shall be applicable to tax
21	years beginning on or after January 1, 2024.
22	Section 3. 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	2023.
25	Section 4. 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:

Do you support an amendment to allow for a property tax exemption on capital investment projects, to provide for the terms of the exemptions, and to authorize the legislature to provide for the administration of the exemptions by law? (January 1, 2024) (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)]

HB 473 Original

2023 Regular Session

Ivey

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 (BC&I), 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 BC&I, 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.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Oct. 14, 2023.

Effective Jan. 1, 2024, and applicable to tax years beginning on or after Jan. 1, 2024.

(Adds Const. Art. VII, §21(O))