
SENATE COMMITTEE AMENDMENTS

Amendments proposed by Senate Committee on Revenue and Fiscal Affairs to Re-
Reengrossed House Bill No. 694 by Representative Robideaux

1 AMENDMENT NO. 1

2 On page 1, line 2, after "To" delete "amend and reenact R.S. 44:4.1(B)(29) and to"

3 AMENDMENT NO. 2

4 On page 1, line 7, after "municipalities," insert "law enforcement districts and assessors,"
5 and after "districts;" delete the remainder of the line and delete line 8, and insert "to"

6 AMENDMENT NO. 3

7 On page 1, delete lines 16 through 20, and on page 2, delete lines 1 through 7

8 AMENDMENT NO. 4

9 On page 2, line 8, change "Section 2." to "Section 1."

10 AMENDMENT NO. 5

11 On page 2, between lines 18 and 19, insert the following:

12 "(3) "Contract" means a contract executed between the board and a targeted
13 non-manufacturing business, granting the exemption for a facility."

14 AMENDMENT NO. 6

15 On page 2, line 19, change "(3)" to "(4)"

16 AMENDMENT NO. 7

17 On page 2, between lines 20 and 21, insert the following:

18 "(5) "Exemption" means the exemption from ad valorem property tax
19 provided by Article VII, Section 21(L) of the Constitution of Louisiana for targeted
20 non-manufacturing business facilities and granted under this program.

21 (6) "Facility" means the new or expanded site of a targeted
22 non-manufacturing business's activities in Louisiana, including buildings,
23 improvements, equipment and other property necessary or beneficial to such
24 operation, which is owned or leased for a term of more than five years by the
25 business. "Facility" does not include the land underlying the facility and other
26 property pertaining to the facility on which ad valorem taxes have previously been
27 paid, inventories, consumables, and property eligible for the manufacturing
28 exemption provided by Article VII, Section 21(F) of the Constitution of Louisiana."

29 AMENDMENT NO. 8

30 On page 2, line 21, change "(4)" to "(7)"

31 AMENDMENT NO. 9

32 On page 2, between lines 26 and 27, insert the following:

33 "(8) "New direct jobs" means permanent full-time positions of employment,
34 meaning working thirty or more hours per week, exclusive of contract labor, based

1 at the facility and filled by Louisiana residents, and not existing in the state prior to
2 implementation of the project and the effective date of the contract."

3 AMENDMENT NO. 10

4 On page 2, line 27, change "(5)" to "(9)"

5 AMENDMENT NO. 11

6 On page 2, after line 29, insert the following:

7 "(10) "Project" means the establishment and operation of a new facility or
8 expanded existing facility in Louisiana by a targeted non-manufacturing business."

9 AMENDMENT NO. 12

10 On page 3, delete lines 1 through 3

11 AMENDMENT NO. 13

12 On page 3, line 4, change "(7)" to "(11)"

13 AMENDMENT NO. 14

14 On page 3, line 6, change "(8)" to "(12)"

15 AMENDMENT NO. 15

16 On page 3, delete lines 9 through 29, and delete pages 4, 5 and 6, and on page 7, delete lines
17 1 through 7, and insert the following:

18 "(13) "Targeted non-manufacturing business" means a business, other than
19 a manufacturer, that meets the requirements of Section 4354 of this Subpart.

20 §4352. Program administration

21 There is hereby established a program to implement the exemption provided
22 by Article VII, Section 21(L) of the Constitution of Louisiana. The program shall
23 be implemented and administered by the Department of Economic Development,
24 which shall adopt and promulgate such rules as are necessary for the administration
25 of the program in compliance with the Administrative Procedure Act.

26 §4353. Parish participation

27 A. A contract for the exemption shall be available only in parishes which
28 have agreed to participate in the program. A parish participates in the program upon
29 approval by all of the following local governmental entities:

- 30 (1) The parish governing authority.
- 31 (2) All municipalities in the parish which levy an ad valorem tax.
- 32 (3) All school boards in the parish which levy an ad valorem tax.
- 33 (4) The parish law enforcement district.
- 34 (5) The assessor.

35 B. Any one of the local governmental entities listed in Paragraph (A)(1) of
36 this Section may withdraw the participation of a parish. The withdrawal of a
37 participating parish shall become effective ninety days after the date upon which any
38 one of the local governmental entities provides written notification to the secretary
39 of its intention to discontinue participation. The withdrawal of a participating parish
40 shall not affect existing contracts.

41 §4354. Targeted non-manufacturing business

42 A targeted non-manufacturing business shall meet all of the following
43 requirements:

1 A. The business undertakes a project to establish a new or expanded facility
2 in the state.

3 B. The primary activities at the facility are or will be among the following
4 targeted non-manufacturing business activities: corporate headquarters, distribution
5 facilities, data services facilities, research and development operations, and digital
6 media and software development centers.

7 C. With the exception of a business providing at least fifty new headquarters
8 jobs or shared service center jobs, a business primarily engaged in retail sales, real
9 estate, professional services, natural resource extraction or exploration, financial
10 services, or venture capital funds, shall not be eligible for the program. No business
11 engaged in gaming or gambling shall be eligible for the program.

12 D. Within the time period provided in the contract, the business shall make
13 capital expenditures of at least twenty-five million dollars for the facility, and create
14 and maintain at least fifty new direct jobs.

15 E. At least fifty percent of total annual sales by the business from a
16 Louisiana site or sites are to out-of-state customers or buyers, or to in-state
17 customers or buyers but the product or service is resold by the purchaser to an
18 out-of-state customer or buyer for ultimate use, or to the federal government, or any
19 combination thereof. The secretary, at his discretion, may include sales by closely
20 associated affiliates of the business in determining the percentage of sales meeting
21 this requirement.

22 §4355. Contracts

23 A. At the invitation of the secretary or any of the local governmental entities
24 listed in Paragraph (A)(1) of Section 4353 of this Subpart, a targeted
25 non-manufacturing business undertaking a project in a participating parish may apply
26 for a contract by submitting to the department such certified statements and
27 documentation as the department may require.

28 B. The secretary may recommend the project to the board for a contract upon
29 determining the applicant meets the requirements of a targeted non-manufacturing
30 business, and the exemption would be advantageous in a competitive site selection
31 situation to encourage the establishment of a targeted non-manufacturing business
32 facility which is expected to yield significant positive economic benefit to the state
33 and the parish. The secretary, at his discretion, may include sales by affiliates of the
34 applicant business in making the fifty percent determination required under Section
35 4354(E) of this Subpart. The secretary's recommendation shall include proposed
36 contract terms and conditions.

37 C. The contract shall include the following provisions:

38 (1) A term of ten years.

39 (2) Performance obligations, including required capital expenditures and new
40 direct jobs, and the time for performance of such obligations.

41 (3) Monitoring by the department, reporting by the business and auditing of
42 contract performance.

43 (4) Consequences of failure to perform contract obligations.

44 D. Upon approval by the board, the secretary shall execute the contract on
45 behalf of the board and provide a copy of the contract to the assessor and the parish
46 governing authority of the respective parish. The secretary shall notify the assessor
47 and parish governing authority if a contract is suspended or cancelled.

48 E. In the event the secretary determines that a business has failed to meet the
49 eligibility requirements of the program or the performance obligations of the
50 contract, the secretary may, at his discretion, suspend or cancel the contract. A
51 contract suspension shall remove the exemption for the year in which the failure
52 occurred, but secretary may lift the suspension following a year in which eligibility
53 requirements and performance obligations are met, and the exemption shall then be
54 restored effective for that year. A contract cancellation shall remove the exemption
55 for the calendar year in which the failure occurred and all future years. Upon receipt
56 of notification from the secretary that a contract is suspended or cancelled, the
57 assessor shall adjust the property assessment in the manner provided by law. Taxes
58 becoming due for a prior year due to removal of an exemption shall, at the discretion
59 of the tax collector, be collectable immediately or with the taxes for the current year.

1 Section 2. The state shall be the sole proper defendant in any taxpayer
2 challenge to the correctness of an assessment based upon the constitutionality of an
3 exemption provided for in this Act."