SLS 15RS-369 ORIGINAL

2015 Regular Session

SENATE BILL NO. 125

BY SENATOR ADLEY

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TAX/AD VALOREM. Constitutional amendment to reduce 10-Year Industrial Exemptions originally granted before January 1, 2017, to 60% of the property originally exempted and extend the term for an additional two years. (2/3 - CA13s1(A))

A JOINT RESOLUTION

2	Proposing to amend Article VII, Section 21(F) of the Constitution of Louisiana, relative to
3	ad valorem property tax exemptions; to reduce certain exemptions originally granted
4	and extend certain terms for additional years; to provide for ad valorem taxes to be
5	collected on such property for the 2016 Tax Year; and to specify an election for
6	submission of the proposition to electors and provide a ballot proposition.
7	Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
8	elected to each house concurring, that there shall be submitted to the electors of the state, for
9	their approval or rejection in the manner provided by law, a proposal to amend Article VII,
10	Section 21(F) of the Constitution of Louisiana, to read as follows:
11	§21. Other Property Exemptions
12	Section 21. In addition to the homestead exemption provided for in Section
13	20 of this Article, the following property and no other shall be exempt from ad
14	valorem taxation:
15	* * *
16	(F)(1) Notwithstanding any contrary provision of this Section, the State
17	Board of Commerce and Industry or its successor, with the approval of the governor,

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may enter into contracts for the exemption from ad valorem taxes of a new manufacturing establishment or an addition to an existing manufacturing establishment, on such terms and conditions as the board, with the approval of the governor, deems in the best interest of the state. The

(2) Except as provided for in Subparagraph (3) of this Paragraph, the exemption shall be for an initial term of no more than five calendar years, and may be renewed for an additional five years. All property exempted shall be listed on the assessment rolls and submitted to the Louisiana Tax Commission or its successor, but no taxes shall be collected thereon during the period of exemption.

(3) Notwithstanding provisions of Subparagraph (2) of this Paragraph, beginning for Tax Year 2016, an exemption originally granted before January 1, 2017, shall hereby be reduced so that it exempts sixty percent of the property originally exempted and the term of such exemption shall hereby be extended for two years from the term originally granted. A renewal of such exemption shall be subject to the same exemption reduction and term extension. Ad valorem taxes may be assessed and collected on the property no longer exempted.

(4) The terms "manufacturing establishment" and "addition" as used herein mean a new plant or establishment or an addition or additions to any existing plant or establishment which engages in the business of working raw materials into wares suitable for use or which gives new shapes, qualities or combinations to matter which already has gone through some artificial process.

Section 2. Be it further resolved that the provisions of this proposed amendment shall be retroactive to the extent that, for the Tax Year 2016 only, notwithstanding any other law to the contrary requiring the assessment and collection of ad valorem taxes by an earlier date, an assessor may assess property which was exempt prior to this proposed amendment according to this proposed amendment's terms at any time prior to July 1, 2016, and ad valorem taxes may be collected upon such property for that tax year.

Section 3. Be it further resolved that this proposed amendment shall be submitted to

the electors of the state of Louisiana at the statewide election to be held on October 24, 2015.

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Section 4. Be it further resolved that on the official ballot to be used at said election there shall be printed a proposition, upon which the electors of the state shall be permitted to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as follows:

Do you support an amendment to require a 10-year property tax exemption originally granted before January 1, 2017, to a manufacturing establishment to be reduced so that it exempts only sixty percent of the property originally exempted but requires the term of the exemption to be extended for two years from the term originally granted?

(Amends Article VII, Section 21(F))

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Riley Boudreaux.

DIGEST 2015 Regular Session

Adley

<u>Present constitution</u> authorizes the State Board of Commerce and Industry, with approval of the governor, to enter into contracts for the exemption from ad valorem taxes of "new manufacturing establishments" and "additions to existing manufacturing establishments". The exemption must be for an initial term of no more than five years and may be renewed for an additional five years.

<u>Proposed constitutional amendment</u>, beginning for Tax Year 2016, requires an exemption originally granted before January 1, 2017, to be reduced so that it exempts 60% of the property originally exempted and requires the term of the exemption to be extended for two years from the term originally granted. The renewal of such exemption is subject to the same exemption reduction and term extension.

<u>Proposed constitutional amendment</u> specifically authorizes assessors for the Tax Year 2016 only to assess property which was exempt prior to the <u>proposed constitutional amendment</u> according to its terms by July 1, 2016, notwithstanding any other law to the contrary requiring the assessment and collection of ad valorem taxes by an earlier date, and allows ad valorem property taxes to be collected upon such property for that tax year.

Specifies submission of the amendment to the voters at the statewide election to be held on October 24, 2015.

(Amends Const. Art. VII, Sec. 21(F))