

2016 Regular Session

HOUSE BILL NO. 506

BY REPRESENTATIVE LEGER

TAX/AD VALOREM-EXEMPTION: (Constitutional Amendment) Provides for applicability of the industrial tax exemption

A JOINT RESOLUTION

Proposing to amend Article VII, Section 21(F) of the Constitution of Louisiana, relative to ad valorem tax exemptions; to provide with respect to the exemption for manufacturing establishments; to require the approval of the parish governing authority for the granting and extension of exemption contracts; to provide for the maximum duration of renewed exemption contracts; to authorize the legislature to provide by law for certain definitions; to provide for effectiveness; to provide for submission of the proposed amendment to the electors; and to provide for related matters.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state of Louisiana, for their approval or rejection in the manner provided by law, a proposal to amend Article VII, Section 21(F) of the Constitution of Louisiana, to read as follows:

§21. Other Property Exemptions

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 valorem taxation:

* * *

(F)(1) Notwithstanding any contrary provision of this Section, the State Board of Commerce and Industry or its successor, with the approval of the governor and the parish governing authority, 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.

(2) The exemption shall be for an initial term of no more than five calendar years, and may be renewed for an additional ~~five~~ two 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) 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, which definitions may be further provided by law enacted by a favorable vote of two-thirds of the elected members of each house of the legislature.

19 * * *

20 Section 2. Be it further resolved that this proposed amendment shall be submitted
21 to the electors of the state of Louisiana at the statewide election to be held on November 8,
22 2016.

23 Section 3. Be it further resolved that this amendment shall become effective January
24 1, 2017.

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:

1 Do you support an amendment to change the ad valorem tax exemption for
2 new manufacturing plants and miscellaneous additions thereto to require the
3 approval of the parish governing authority for the granting of an exemption,
4 to reduce the maximum number of years authorized, and to authorize
5 lawmaking with regard to definitions for eligible projects? (Effective
6 January 1, 2017) (Amends Article VII, Section 21(F))

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 506 Original

2016 Regular Session

Leger

Abstract: Relative to the ad valorem property tax exemption for manufacturing plants, requires approval of the local governing authority, reduces the maximum number of years authorized for a contract, and authorizes the legislature to provide for definitions of eligible projects.

Present constitution authorizes an ad valorem property tax exemption for new manufacturing plants and miscellaneous additions to existing plants. The exemption is effectuated through a contract granted by the Board of Commerce and Industry, with the approval of the governor.

Proposed constitutional amendment retains present constitution and adds a requirement for approval of the parish governing authority.

Present constitution authorizes an exemption for up to five years, with a possible renewal for an additional five years.

Proposed constitutional amendment changes present constitution by reducing the number of years for a renewal from 5 to 2 years.

Present constitution defines, for purposes of the exemption, the terms "manufacturing establishment" and "addition" to mean a new plant or establishment or an addition 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.

Proposed constitutional amendment retains present constitution and adds authorization for the legislature to more fully define "manufacturing establishment" and "addition" for purposes of the exemption by an instrument which receives 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 November 8, 2016.

Effective Jan. 1, 2017.

(Amends Const. Art. VII, §(21)(F))