
DIGEST

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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))