

1 taxes for the property of a new manufacturing establishment or an addition to an
2 existing manufacturing establishment, ~~on such terms and conditions as the board,~~
3 ~~with the approval of the governor, deems in the best interest of the state.~~ The
4 granting of an exemption shall be subject to approval by the governor.

5 (1) The exemption shall be for ~~an initial~~ a term of no more than ~~five~~ seven
6 calendar years, ~~and may be renewed for an additional five years.~~ However, for a
7 specific project, upon the recommendation of the governor, an exemption in excess
8 of seven years may be granted if approved by a favorable vote of two-thirds of the
9 members of a committee of the legislature. All property exempted shall be listed on
10 the assessment rolls and submitted to the Louisiana Tax Commission or its
11 successor, but no taxes shall be collected thereon during the period of exemption.

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

17 (3) The legislature by law shall establish a program for implementation and
18 governance of this exemption, which may include requirements for application for
19 and approval of the granting of an exemption and additional eligibility requirements
20 restricted to those that concern expectations for returns on investment for local
21 governments. Any law establishing a procedure concerning the approval of an
22 exemption, once enacted, shall not be changed except by specific legislative
23 instrument which receives a favorable vote of two-thirds of the elected members of
24 each house of the legislature.

25 * * *

26 Section 2. Be it further resolved that this proposed amendment shall be submitted
27 to the electors of the state of Louisiana at the statewide election to be held on November 6,
28 2018.

1 Section 3. Be it further resolved that on the official ballot to be used at the election,
2 there shall be printed a proposition, upon which the electors of the state shall be permitted
3 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
4 follows:

5 Do you support an amendment to require that the legislature provide by law
6 for a program governing various aspects of the property tax exemption for a
7 new manufacturing establishment or additions to such an establishment, to
8 change the limit on the term of the exemption, and to remove the specific
9 constitutional authority for approval of these exemptions? (Amends Art. VII,
10 Sec. 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 475Original

2018 Regular Session

Ivey

Abstract: Requires the legislature to provide by law for a program governing the property tax exemption for certain property of a manufacturing establishment (ITEP), changes the limit on the term of the exemption from 10 years to 7 years, and removes specific provisions of present constitution granting authority for approval of the exemptions by the State Board of Commerce and Industry.

Present constitution authorizes a property tax exemption for new manufacturing establishments and miscellaneous additions to existing establishments for an initial term of five years, with a five year renewal, hereinafter (exemption). The exemption is effectuated through a contract granted by the Board of Commerce and Industry, with the approval of the governor.

Proposed constitutional amendment removes from present constitution specific authority for the approval of the exemptions by the State Board of Commerce and Industry but retains authority for gubernatorial approval.

Proposed constitutional amendment changes the limit on the term of the exemption from an initial five year term with a five year renewal to a term of seven years. Further, for a specific project, upon the recommendation of the governor, an exemption in excess of seven years may be granted if approved by a favorable vote of two-thirds of the members of a legislative committee.

Proposed constitutional amendment changes present constitution by requiring the legislature to provide by law for a program governing various aspects of the exemption, which may include additional eligibility requirements restricted to those that concern expectations for returns on investment for local governments. Any law establishing a procedure concerning the authority to approve an exemption, once enacted, shall not be changed except by specific legislative instrument which receives a favorable vote of 2/3rds 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 Nov. 6, 2018.

(Amends Art. VII, §21(F))