HLS 19RS-324 ORIGINAL

2019 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 3

BY REPRESENTATIVE EDMONDS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TAX/AD VALOREM-EXEMPTION: Amends Department of Economic Development rules relative to local approval for the Industrial Ad Valorem Tax Exemption Program

1 A CONCURRENT RESOLUTION 2 To amend Louisiana Department of Economic Development rules specified in LAC 3 13:I.503(E)(4), and (H), 513(B), and 529(C), and to enact LAC 13:I.503(I), and (J), 4 which provide for the administration of local approval for industrial ad valorem tax 5 exemption applications; to provide for a uniform ad valorem property tax exemption 6 application process; to provide for certain requirements; to provide for limitations; 7 to provide for certain conditions; to provide for related matters; and to direct the 8 Office of the State Register to print the amendments in the Louisiana Administrative 9 Code. 10 WHEREAS, Article 7, Section 21(F) of the Louisiana Constitution provides that the 11 Board of Commerce and Industry "with the approval of the governor, may enter into 12 contracts for the exemption from ad valorem taxes of a new manufacturing establishment 13 or an addition to an existing manufacturing establishment, on such terms and conditions as 14 the board, with approval of the governor, deems in the best interest of the state"; and 15 WHEREAS, in June of 2017 and August of 2018, the Department of Economic 16 Development promulgated rules in accordance with the Administrative Procedure Act to 17 govern the application process for the Industrial Tax Exemption Program established in 18 Article 7, Section 21(F) of the Louisiana Constitution; and

1	WHEREAS, the rules authorize local entities to establish their own policies and
2	procedures when considering the approval of industrial tax exemption applications and, as
3	a consequence, local policies and procedures vary and are not uniform statewide; and
4	WHEREAS, the rules do not maintain statewide uniform application requirements
5	which renders the industrial tax exemption program process inefficient; and
6	WHEREAS, mandating uniform local boards and uniform local application
7	requirements achieves a more streamlined and productive application process for both local
8	entities and applicants; and
9	WHEREAS, R.S. 49:969 authorizes the legislature, by Concurrent Resolution, to
10	suspend, amend, or repeal any rule or regulation or body of rules or regulations adopted by
11	a state department, agency, board, or commission; and
12	WHEREAS, because the current rules and regulations promulgated by the
13	department of Economic Development do not mandate uniform local boards and uniform
14	local application requirements that would provide for a more streamlined and productive
15	application process for both local entities and applicants, the legislature proposes to amend
16	the administrative rules to provide for such provisions.
17	THEREFORE, BE IT RESOLVED by the Legislature of Louisiana that LAC
18	13:I.503(E)(4) and (H), 513(B), and 529(C) are hereby amended and reenacted and LAC
19	13:I.503 (I) and (J) are hereby enacted to read as follows:
20	§503. Advance Notification; Application
21	* * *
22	E. In order to receive the board's approval, applications with advance
23	notifications filed after June 24, 2016, shall include an exhibit A containing the
24	following terms and conditions:
25	* * *
26	4. That the department, on behalf of the board, will notify the local
27	governmental entities review board and the assessor when jobs and/or payroll
28	requirements are not met in accordance with the exhibit A;
29	* * *

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1	H. Upon the board's approval of an application, the department, on behalf o
2	the board, shall, within three business days, transmit a copy of the approval and
3	Exhibit A by mail or electronic mail to each local governmental authority and the
4	assessor and the department shall post notice of the board's approval of an
5	application on the department's website within three business days of approval, upon
6	which date shall begin a notice period of 30 days for the parish governing authority
7	(speaking on behalf of the parish and all parish bodies who are located outside the
8	boundary of any affected municipality who receive a millage), the school board, any
9	applicable municipality (speaking on behalf of the municipality and all municipality
10	bodies who receive a millage) and the sheriff to initiate action to approve or rejec
11	the board's action as provided hereinafter. Each parish in the state shall create a local
12	review board to review and provide a recommendation of applications submitted to
13	the board for the industrial ad valorem tax exemption program. The local review
14	board shall be comprised of the following members:
15	1. Within the 30-day notice period, the parish governing authority, the school
16	board, or any affected municipality may identify the application on the agenda of
17	public meeting notice and the sheriff may issue a letter approving or denying the
18	application, and notice of these actions shall be given to the department within 3
19	business days. A local governmental entity that places the application on the agenda
20	for a public meeting will have an additional 30 days (for a total of 60 days from the
21	start of the notice period) to conduct a public meeting issuing a resolution approving
22	or rejecting the board approved application, and notice of the issuance shall be given
23	to the department within 3 business days. If a local governmental entity does no
24	take action or provide notice as required herein, then the application will be deemed
25	approved by each such entity.
26	2. Within 60 days of the promulgation of these rules, the local governmenta
27	entities for each parish (in consultation with the parish assessor and, upon request
28	with guidance from the department), shall make best efforts to develop reasonable

guidelines for application approval and/or denial and if so desired, penalty guidelines

for failure to achieve and maintain jobs and/or payroll as required by the exhibit A.

1	(1) The president of the parish governing authority of the parish in which the
2	project seeking the ad valorem exemption is located. If the project is located within
3	the boundaries of a municipality, the president of the parish, the administrator of the
4	commission, or the president of the parish governing authority may defer his
5	membership on this board to the chief elected member of the corresponding
6	municipality.
7	(2) The sheriff of the parish.
8	(3) The president of the parish school board.
9	I. The local review board shall review all industrial ad valorem tax
10	exemption applications provided by the board.
11	(1) The department shall post notice of the board's initial approval of an ad
12	valorem exemption application on the department's website within three business
13	days, upon which date begins a notice period of sixty days for the local review board
14	to review and provide a recommendation on the application.
15	(2) Within three business days of the board's initial approval of an ad
16	valorem exemption application, the department on behalf of the board shall transmit
17	a copy of the initial approval and cooperative endeavor agreement by mail or
18	electronic mail to the president of the parish governing authority at his official
19	address. The president of the parish governing authority shall transmit a copy of the
20	application and accompanying documents by mail or electronic mail to each local
21	review board member within three business days of receipt. A recommendation
22	approving the application of an industrial ad valorem tax exemption shall require
23	approval of a majority of the members of the local review board. The president of
24	the parish governing authority shall give notice of the local review board rendering
25	its decision.
26	J. Within thirty days of the promulgation of these rules, the local review
27	board shall establish guidelines for application approval or denial. The local review
28	board shall post a copy of these rules on the parish governing authority's website
29	within three business days of promulgation.

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1	§513. Relocations
2	* * *
3	B. If a manufacturing establishment moves from one location in the state to
4	another location within the state, the company shall be required to seek approval of
5	the parish governing authority, the school board, the sheriff, and any municipality
6	local review board in the parish in which the manufacturing establishment will be
7	located if these local governing authorities are it is different than those that which
8	approved the exemption at the original site.
9	* * *
10	§529. Renewal of Tax Exemption Contract
11	* * *
12	C. The board shall have the option of submitting a board approved renewal
13	application to the local governmental entities review board for approval in
14	accordance with the procedures for approval of the initial exemption contract.
15	* * *
16	BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the
17	Office of the State Register.
18	BE IT FURTHER RESOLVED that the Office of the State Register is hereby
19	directed to have the amendments to 13:I.503(E)(4) and (H), 513(B), and 529(C), and the
20	enactments of LAC 13:I.503(I) and (J) printed and incorporated into the Louisiana
21	Administrative Code.

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)]

HCR 3 Original

2019 Regular Session

Edmonds

<u>Present LAC</u> provides that each local governmental authority who receives a millage, the school board, and the sheriff may review the proposed ad valorem tax exemption application provided by the Board of Commerce and Industry.

<u>Proposed LAC</u> provides that each parish shall create a centralized local review board for the purpose of reviewing ad valorem tax exemption applications.

<u>Proposed LAC</u> provides that the local review board be comprised of the following members:

(1) The president of the parish governing authority or the chief elected member of the municipality in which the project is located.

- (2) The sheriff of the parish in which the project is located.
- (3) The president of the parish school board.

<u>Present LAC</u> provides that upon the Board of Commerce and Industry's approval of an application, the Dept. of Economic Development transmits a copy of the application to each local governmental authority and the local tax assessor.

<u>Proposed LAC</u> provides that that upon the Board of Commerce and Industry's approval of an application the Dept. of Economic Development transmits a copy of application to the parish president acting as a liaison to the local review board. The parish president then disburses the application to the other members of the local board.

<u>Present LAC</u> does not require any local governmental authority receiving a millage, the school board, or the sheriff to review a proposed ad valorem tax exemption application; however, failure to review an application after 30 days notice results in automatic approval.

<u>Proposed LAC</u> mandates that the local board shall review all industrial ad valorem tax exemption applications provided by the Board of Commerce and Industry within 60 days of notice from the Board of Commerce and Industry.

<u>Proposed LAC</u> requires the local review board to approve an application by a majority vote in order for an application to be approved.

<u>Present LAC</u> provides that local governmental entities in each parish "shall make best efforts" to develop reasonable guidelines for application approval and or denial.

<u>Proposed LAC</u> mandates that within 30 days of the promulgation of these <u>proposed amended rules</u>, the local review board shall establish guidelines for application approval or denial. <u>Proposed LAC</u> also mandates that the local review board shall post a copy of these rules on the parish governing authority's website within three business days of promulgation.

<u>Proposed LAC</u> also amends <u>Present LAC</u> incorporating the newly created local review board.

(Amends LAC 13:I.503(E)(4) and (H), 513(B), and 529(C); Adds LAC 13:I.503(I) and (J))