SLS 20RS-518 ORIGINAL

2020 Regular Session

SENATE BILL NO. 236

BY SENATOR WARD

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

TAX/AD VALOREM. Constitutional amendment to establish certain ad valorem property tax exemptions. (2/3 - CA13s1(A))

## A JOINT RESOLUTION

Proposing to amend Article VII, Section 21(F) of the Constitution of Louisiana, relative to ad valorem property tax exemptions; to establish exemptions for certain property; to establish exemptions for certain capital investment projects; to authorize the administration of the exemptions; to provide for approval from political subdivisions; to provide for gubernatorial approval; to provide for certain requirements; and to specify an election for submission of the proposition to electors and provide a ballot proposition.

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, 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:

17 \* \* \*

1

2

	3		
	4		
	5		
	6		
	7		
	8		
	9		
1	0		
1	1		
1	2		
1	3		
1	4		
1	5		
1	6		
1	7		
1	8		
1	9		
2	0		
2	1		
2	2		
2	3		
2	4		
2	5		
2	6		
2	7		
2	8		
2	9		

(F) Notwithstanding any contrary provision of this Section, the State Board
of Commerce and Industry or its successor, with the approval of the governor, may
enter into contracts for the there are hereby authorized standard, local, and
executive exemption exemptions 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. for capital investment projects as follows:

(1) The <u>standard</u> exemption shall be for an initial <u>a</u> term of no more than five <u>eight</u> calendar years, and <u>may be renewed for an additional five years shall</u> provide for an ad valorem tax exemption of eighty percent of the property taxes of the capital investment project. The granting of a standard exemption shall be reviewed by the Board of Commerce and Industry, or its successor as provided by law, and no additional approval is required for the granting of this exemption. Enactment of any law to administer this exemption shall require a favorable vote of two-thirds of the elected members of each house of the legislature.

(2) The local exemption shall be for a term of no more than fifteen years and may provide for an ad valorem tax exemption of up to one hundred percent of the property taxes of the capital investment project. The granting of a local exemption shall require the approval of each political subdivision in whose district the project is to be located. Enactment of any law to administer this exemption shall require a favorable vote of two-thirds of the elected members of each house of the legislature.

(3) The executive exemption shall be for a term determined by the governor and may provide for an ad valorem tax exemption of up to one hundred percent of the property taxes of the capital investment project. The granting of an executive exemption shall require approval from the governor.

Enactment of any law to administer this exemption shall require a favorable vote of two-thirds of the elected members of each house of the legislature.

1 (4) All property exempted shall be listed on the assessment rolls and 2 submitted to the Louisiana Tax Commission or its successor, but no taxes shall be 3 collected thereon during the period of exemption. The terms "manufacturing establishment" and "addition" as used herein mean 4 5 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 6 suitable for use or which gives new shapes, qualities or combinations to matter which 7 8 already has gone through some artificial process. 9 10 Section 2. Be it further resolved that this proposed amendment shall be submitted 11 to the electors of the state of Louisiana at the statewide election to be held on November 3, 12 2020. 13 Section 3. Be it further resolved that on the official ballot to be used at the election, there shall be printed a proposition, upon which the electors of the state shall be permitted 14 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as 15 16 follows: Do you support an amendment to authorize ad valorem property tax 17 exemptions for certain capital investment projects and to provide for the 18 19 approval, terms, and amounts of the exemptions? (Amends Article VII, Section 21(F)) 20

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

**DIGEST** 

SB 236 Original

2020 Regular Session

Ward

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

Proposed constitutional amendment authorizes three ad valorem property tax exemptions for capital investment projects as follows:

A standard exemption for a term of 8 calender years and exempts a project from 80% (1) of its property taxes. The exemption is subject to review by the Board of Commerce and Industry. No additional approval required.

Page 3 of 4

Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

(2) A local exemption for a term of no more than 15 calender years and exempts a project from up to 100% of its property taxes. This exemption requires the approval of local taxing authorities as provided for in law.

(3) An executive exemption shall be established in law and may be for a specified term determined by the governor and exempts a project from up to 100% of its property taxes. This exemption requires invitation and approval of the governor.

<u>Proposed constitutional amendment</u> also requires that any law enacted relative to any of the new exemptions requires a favorable vote of two-thirds of the elected members of each house of the legislature.

<u>Proposed constitutional amendment</u> retains <u>present law</u> related to listing property on tax assessment rolls and various definitions.

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 3, 2020.

(Amends Const. Art. VII, §21(F))