

Regular Session, 2012

HOUSE BILL NO. 611

BY REPRESENTATIVE TIM BURNS

TAX/AD VALOREM-EXEMPTION: (Constitutional Amendment) Authorize the granting of ad valorem tax exemption contracts by the Board of Commerce and Industry for certain businesses

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18

A JOINT RESOLUTION

Proposing add Article VII, Section 21(L) of the Constitution of Louisiana, to authorize the granting of ad valorem tax exemption contracts to certain businesses; to authorize the Board of Commerce and Industry to enter into contracts subject to gubernatorial approval; to provide for certain contract limitations; to provide with respect to the assessment and taxation of property subject to a contract; to require the legislature to establish a program for the granting of contracts; 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 add Article VII, Section 21(L) 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:

* * *

1 ~~(L)(1) Notwithstanding any provision of this constitution to the contrary, the~~
2 ~~State Board of Commerce and Industry or its successor may enter into a contract for~~
3 ~~the exemption from ad valorem taxes, hereinafter referred to as "contract", of~~
4 ~~property owned by an eligible business which is located in a parish which has agreed~~
5 ~~to participate in a program for the granting of such contracts. The contract shall be~~
6 ~~subject to approval by the governor and shall be made on such terms and conditions~~
7 ~~as deemed by the board to be in the best interest of the state.~~

8 ~~(2) The contract shall be for an initial term of no more than five calendar~~
9 ~~years, and may be renewed for an additional five years. The renewal of a contract~~
10 ~~shall not be contingent upon the continued participation in the program by a parish.~~
11 ~~A business which receives an exemption contract pursuant to this Paragraph shall be~~
12 ~~ineligible to receive any other ad valorem tax exemption contract authorized by this~~
13 ~~constitution.~~

14 ~~(3) All property exempted pursuant to a contract shall be listed on the~~
15 ~~assessment rolls and submitted to the Louisiana Tax Commission or its successor,~~
16 ~~but no taxes shall be collected thereon during the period of exemption; however, the~~
17 ~~exemption shall in no way affect or impair the security of any bonds payable from~~
18 ~~the proceeds of a tax.~~

19 ~~(4) The legislature shall establish a program for the granting of contracts,~~
20 ~~except that provisions governing the inclusion or exclusion of specific taxes shall be~~
21 ~~only as provided in this Paragraph.~~

22 Section 2. Be it further resolved that this proposed amendment shall be submitted
23 to the electors of the state of Louisiana at the statewide election to be held on November 6,
24 2012.

25 Section 3. Be it further resolved that the provisions of the amendment contained in
26 this Joint Resolution shall become effective on January 1, 2013.

27 Section 4. Be it further resolved that on the official ballot to be used at the election,
28 there shall be printed a proposition, upon which the electors of the state shall be permitted

1 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
2 follows:

3 Do you support an amendment to authorize the granting of ad valorem tax
4 exemption contracts by the Board of Commerce and Industry for businesses
5 located in parishes which have chosen to participate in a program established
6 for the granting of such contracts? (Effective January 1, 2013) (Adds Article
7 VII, Section 21(L))

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)]

Tim Burns

HB No. 611

Abstract: Authorizes the granting of ad valorem tax exemption contracts for businesses at the discretion of the Board of Commerce and Industry under certain circumstances.

Proposed constitution authorizes the granting of an ad valorem tax exemption contract (hereinafter contract) by the State Board of Commerce and Industry or its successor (hereinafter board) for the property of an eligible business which is located in a parish which has agreed to participate in the program. Contracts are subject to gubernatorial approval and shall be made on such terms and conditions as deemed by the board to be in the best interest of the state.

Proposed constitution requires that all property exempted pursuant to a contract be listed on the assessment rolls, but no taxes shall be collected thereon during the period of exemption; however, the exemption shall in no way affect or impair the security of any bonds payable from the proceeds of a tax.

Proposed constitution provides that the initial term of a contract shall be up to five calendar years, and may be renewed for an additional five years. The renewal of a contract shall not be contingent upon a parish's continued participation in the program. A business which receives an exemption contract pursuant to proposed constitution is precluded from receiving any other ad valorem tax exemption contract authorized by the constitution of La.

Proposed constitution directs the legislature to establish a program for the granting of contracts, and prohibits the legislature from by law providing for the inclusion or exclusion of specific taxes which will be subject to the exemption.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 6, 2012.

Effective Jan. 1, 2013.

(Adds Const. Art. VII, §21(L))