

# THE ADVOCATE

## Together Ascension calls for School Board to reject proposed industry tax exemptions

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**DUTCHTOWN** — A physician, a church deacon and a school teacher were among members of the new group Together Ascension urging the Ascension Parish School Board to take a serious look at property tax exemptions being requested by five potential industrial projects in Geismar.

The School Board on Tuesday will consider a recommendation from the nonprofit Ascension Economic Development Corp. to grant the unnamed projects the full industrial tax exemption allowed by law.

But Together Ascension, which is under the umbrella of Together Louisiana, a statewide network of more than 250 religious organizations and civic groups, opposes the idea.

"We have to look at how our tax money is being disbursed through the industrial tax exemption program," said Dr. Henryenne Loudon, a physician who practices in Baton Rouge and lives in Ascension Parish.

"We must have accountability and we must have transparency," Loudon said at a press conference Monday evening on the grounds of the Dutchtown public library on La. 73.

Angela Vercher, who has taught in Ascension Parish public schools for 25 years, said industries that receive tax exemptions should be accountable for how the money they save, as a result of the program, is spent.

"It's hypocritical for the School Board to hold me accountable" as a teacher, "but not hold industry accountable for taxpayer dollars," she said.



*Members of the newly formed group Together Ascension speak at a press conference Monday opposing full tax exemptions to be considered Tuesday by the Ascension Parish School Board for industrial projects.*

"It is shocking that a school board would consider something so carte blanche and irresponsible," a statement Monday by Together Ascension says.

"We're calling on the school board to reject the proposal out of hand and start subjecting these corporate exemptions to serious scrutiny," it says.

In its own statement released Monday, the Ascension Economic Development Corp. said, "Not only do we calculate the value of direct employment but also the ripple effect on the economy. ... thanks to industry, and the business and residential locations created, Ascension Parish enjoys today's economic position."

Kate MacArthur, president and chief executive officer of the AEDC, said Monday that four of the projects are new to the parish, with one being an expansion of an existing manufacturer.

The five projects have a combined capital investment of \$462 million, according to the AEDC.

An Advocate analysis of the tax liability shows that if the School Board grants the maximum exemption allowed, the school system would give up \$24.8 million in property tax revenues over the next eight years.

The companies are yet to be named and are identified by the code names Magnolia, Zinnia, Bagel, Sunflower and Sunflower Seed, said MacArthur, citing Louisiana Economic Development regulations regarding competition.

That policy and others are being scrutinized by Together Louisiana, which is following the first wave of tax exemptions sought under new regulations that give local taxing bodies a new role in the decision to grant them, Broderick Bagert, with Together Louisiana, said Monday before the press conference.

Together Louisiana has recently released a new study, "Costly and Unusual," that analyzes the state's industrial tax exemption program, which the group says is currently "giving away \$16.7 billion in local governments' property tax revenues as subsidies to corporations."

In Ascension Parish, Bagert said, local taxing bodies have lost \$1.8 billion in property tax revenues since 1998 due to the exemptions.

On the other side of the argument, the AEDC said Monday "the return on investment in economic development over the last 50 years has far outweighed the costs of providing incentives through state programs."

"Even factoring in any state or local incentive programs, the manufacturing companies are still the largest taxpayers in the parish. Industry pays an estimated 50 percent of all tax revenue collected," the AEDC said. "If there are no more expansions, or locations, how will we make up for that revenue?"

Up until this summer, industrial tax exemptions had been automatically approved on the state level.

Following an executive order by Gov. John Bel Edwards in June, industrial property tax exemptions now require the approval of the major taxing bodies in a parish before manufacturers can take their requests to the state Board of Commerce and Industry.

Before the recent changes, all exemptions were 100 percent of local property taxes for two consecutive five-year terms.

Now, exemptions end earlier — a maximum of eight years, instead of 10 — and can be set at any percentage up to 100 percent tax abatement for the first five years, with a potential renewal at up to 80 percent for the next three years.

"We the citizens and the elected officials can decide if we want to give away the farm or just entice people to come," Randy Clement, deacon with St. John the Evangelist Catholic Church in Prairieville, said at Monday's press conference.

Bagert, with Together Louisiana, said the exemptions have been "treated like entitlements" for industry in the past.

"Lots of parishes are grappling" with the new authority they have regarding exemptions, Bagert said.

At the Ascension Parish Council meeting last week, AEDC's MacArthur said an idea of creating a pre-set matrix that would let industrial prospects know what they could expect in the parish was on "permanent hold" in favor of a case-by-case approach for manufacturer requests for tax exemptions.

One reason for the hold, MacArthur said Monday, was that the regulations "are still very new. Not many parishes have decided what they're going to do."

Due to market forces and competition, "we're hesitant to be the first one," she said.

As for the naming of projects by code name, Bagert said the new regulations should have brought an end to that.

He said a sunshine provision of the governor's executive order requires that businesses seeking an exemption from local taxing bodies send a copy of their requests to the Louisiana Economic Development office.

The state economic development office is then required to post a copy of the business's request on its website "no later than three business days after receipt of the request," Bagert said.

"That's not happening," he said.

In a phone interview Monday, MacArthur said, "I can only point to the example of cities that have followed a pattern of dis-investment and have had to re-invent themselves."

She named Pittsburgh and Detroit as two of those cities.

"If there are no project locations or expansions, we're collecting zero dollars," MacArthur said.

Together Ascension members said they plan to be at the School Board meeting Tuesday night.

"We hope we can convince them to 'table' it for right now" and take more time to look into the issues, Clement said.