

Constitutional wording cause confusions

BY MARK BALLARD | CAPITOL BUREAU EDITOR JUN 1, 2020 - 3:48 PM

Legislators bickered over the ballot wording of the constitutional amendment, then approved Monday a bill asking voters whether they would forgive property taxes for manufacturers that fund local projects.

Senate Bill 272, by state Sen. Mark Abraham, R-Lake Charles, stemmed from a situation in Cameron Parish and proposes a constitutional amendment that allows property owners to make payments in lieu of paying ad valorem taxes. Being a constitutional amendment, voters must first approve the proposal in a statewide election.

Local government and community activists opposed the legislation because companies could duck the taxes, they owe by funding a project or two worth a fraction of the price.

“This gives another avenue for a manufacturer to get around paying ad valorem property tax,” said Edgar Cage, of **Together Louisiana**, a coalition of church and community activists.

Last year, Cameron LNG paid only \$32,000 in property taxes on \$13 billion in property, Cage said. Almost all of their property is tax-exempt under a 10-year industrial tax exemption. Cameron LNG's 10-year industrial tax exemptions are about to expire. Cameron LNG decided to plow a few million into a lobbying campaign to change to the state constitution to allow them to keep their property tax exemptions forever, he said.



“Instead of the tax rate being set by an election, it’ll be based on how well a company can negotiate,” Cage said. “And the rest of us will have to pay more to compensate for the deal cut by a single company.”

But the biggest fight was over the wording that will appear on the Nov. 3 ballot.

The legislation came out of the state Senate May 20 on a 32-4 vote with ballot wording that stated: “Do you support an amendment to authorize a property tax exemption for property that is subject to an agreement with local government, as provided by law, allowing the property owner to make payments instead of paying property taxes and to require a two-thirds vote of the legislature to enact laws in this regard?”

State Rep. Gregory Miller, the Norco Republican who chairs the House Committee on Civil Law and Procedure, said that language was kind of confusing. On the House floor, Miller recommended and the full House agreed that the yes/no ballot question for voters should be a little more straightforward: "Do you support an amendment to authorize a property tax exemption for new or additions to existing manufacturing establishments that are subject to a cooperative endeavor agreement with local taxing authorities for payments in lieu of taxes?"

That caused concern among the supporters and Abraham rejected the changes. The legislation went to a conference committee to cobble out wording everyone could agree upon. The conferees came up with: "Do you support an amendment to authorize local governments to enter into cooperative endeavor ad valorem tax exemption agreements with new or expanding manufacturing establishments for payments in lieu of taxes?"

Rep. John Stefanski, R-Crowley and who handled SB272 in the House for Abraham, said the new language wasn't as simple but was more succinct.

The House gave the measure final approval on a vote of 75-16.

“The new language is a little bit better,” Cage said, “but the bill is still a pile of crap.”