



EXECUTIVE DEPARTMENT
OFFICE OF THE GOVERNOR
EXECUTIVE ORDER NUMBER JML 24-23

***CONDITIONS FOR PARTICIPATION IN THE INDUSTRIAL TAX
EXEMPTION PROGRAM***

WHEREAS, Louisiana values its manufacturers and their contributions to its economy;

WHEREAS, most states offer some form of property tax exemption to manufacturers;

WHEREAS, to attract larger, high-quality projects, it is necessary to offer competitive property tax exemptions to manufacturers;

WHEREAS, La. Const. art. 7, § 21(F) provides that the Board of Commerce and Industry, with the approval of the governor, may enter into contracts for the exemption 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 to be in the best interest of the state;

WHEREAS, the Board of Commerce and Industry is authorized to administer the granting of the exemption from ad valorem taxes provided by La. Const. art. 7, § 21(F) and, with the assistance of the Louisiana Department of Economic Development (“LED”), established the Industrial Tax Exemption Program (“ITEP”);

WHEREAS, ITEP projects involve capital investment in regions across Louisiana;

WHEREAS, consistent with the authority provided to it by the Constitution, the Board of Commerce and Industry promulgated rules and regulations for ITEP that promote the best interests of the state;

WHEREAS, the governor also plays a vital role in determining which projects will receive ITEP, and it is essential to set forth criteria that the governor will consider for purposes of deciding what is in the best interests of the state and which ITEP projects will be approved;

NOW THEREFORE, I, JEFF LANDRY, Governor of the State of Louisiana, by the authority vested by the Constitution and the laws of the State of Louisiana, do hereby order and direct as follows:

Section 1:

The governor will consider the criteria set forth herein for purposes of determining what is in the best interests of the state for consideration of ITEP contracts. The Board of Commerce and Industry will also consider criteria set forth in its rules and regulations for purposes of determining what is in the best interests of the state for consideration of ITEP contracts.

Section 2:

ITEP contracts are to demonstrate a genuine commitment to investing in the communities in which they operate.

Section 3:

ITEP contracts must meet the constitutional definition of “manufacturing establishment” determined by the Board of Commerce and Industry.

Section 4:

ITEP applicants are required to file an advance notification of intent to apply for tax exemption, both for new and expansion projects, in order to be considered for approval by the governor. Applications for miscellaneous capital additions and applications for tax exemptions for maintenance capital, required environmental capital upgrades, and replacement parts, except those replacements required in the rehabilitation or restoration of an establishment, to conserve as nearly, and as long as possible, original condition, shall not be considered or approved.

Section 5:

All contracts for ITEP shall include approval by the Local ITEP Committee and the decision of the committee shall be reflected in the form of a resolution to be submitted as Exhibit “A” to the contract. The Local ITEP Committee shall consist of the following local officials or employees: 1.) the parish president or the president of the police jury; 2.) the president of the school board or the superintendent of the school board, as elected by the school board; 3.) the sheriff or

his designee, and 4.) the mayor, if the project is located in a municipality. Ex-officio non-voting members may include the assessor, the parish's highest-ranking economic development staff, members of the local economic development organization, or if no local economic development organization exists, a representative from the regional economic development district. Decisions by the Local ITEP Committee are not dispositive and do not bind the governor or the Board of Commerce and Industry. Local government officials are also encouraged to provide public comment when an application is filed with the Board of Commerce and Industry.

Section 6:

Input from the Local ITEP Committee is important for consideration of an industrial tax exemption; however, it should not unduly delay the ITEP application process. Upon the Board of Commerce and Industry's approval of an ITEP application, LED shall transmit a copy of the approval within three business days of approval, upon which date shall begin a notice period of 15 days. The notice shall be transmitted to members of the Local ITEP Committee. Within the 15-day notice period, the Local ITEP Committee may notice a public meeting, in accordance with the Open Meetings Law, to be held at a location customarily used by the parish council or police jury for public meetings for purposes of considering the ITEP application. If the Local ITEP Committee places the application on the agenda for a public meeting, the committee will have an additional 30 days (for a total of 45 days from the start of the notice period) to conduct a public meeting.

Section 7:

The Board of Commerce and Industry shall revise its rules to align with the Executive Order relative to providing local input in the ITEP application process.

Section 8:

The Board of Commerce and Industry also may address by rule any other contractual arrangements that it deems necessary for applicants, and it may submit these requirements to the governor for his consideration via the ITEP contract.

Section 9:

The Department of Revenue (“LDR”) shall review the ITEP application and may require additional information from the applicant. LED must receive a letter of no objection or a letter of approval from LDR before the Board of Commerce and Industry takes action on the ITEP application. LDR shall, in coordination with the LED, implement procedures to assure compliance with existing law, this Executive Order, and the terms of the ITEP contract.

Section 10:

The exemption for ITEP projects shall be for an initial term of no more than five calendar years and may be renewed for an additional time period of up to five years.

Section 11:

All property exempted shall be listed on the assessment rolls and submitted to the Louisiana Tax Commission, but no taxes shall be collected during the period of exemption.

Section 12:

In considering new contracts and renewals for approval, the governor will only approve those contracts or renewals having a term of five years or less and providing for an ad valorem exemption of 80%.

Section 13:

The terms for the governor’s approval of the contracts for ITEP, as provided for in this Executive Order, represent the primary cause for the governor’s approval of an ITEP contract. Any occurrence that operates to change, suspend, or breach the terms of the contract shall render the approval of the governor null and void.

Section 14:

This order is effective for advance notifications filed on or after February 21, 2024. The requirements of this Executive Order do not apply to advance notifications filed before February 21, 2024, or ITEP projects approved before February 21, 2024. However, nothing in this Executive

Order shall be interpreted to relieve any participants in the Industrial Tax Exemption Program from their contractual obligations.



IN WITNESS WHEREOF, I have set my hand officially and caused to be affixed the Great Seal of Louisiana in the City of Baton Rouge, on this 21st day of February, 2024.

A handwritten signature in blue ink, appearing to read "Jeff Landry", is written over a horizontal line.

Jeff Landry
GOVERNOR OF LOUISIANA

ATTEST BY THE
SECRETARY OF STATE

A handwritten signature in blue ink, appearing to read "Nancy Landry", is written over a horizontal line.

Nancy Landry
SECRETARY OF STATE