

By Wilson  
Introduction 9/26/18  
P.H. 11/14/18

**ADOPTED**  
**METROPOLITAN COUNCIL**

NOV 14 2018



COUNCIL ADMINISTRATOR TREASURER

18-01155

RESOLUTION 53920

ESTABLISHING GUIDELINES FOR THE APPROVAL OR  
DISAPPROVAL BY THE METROPOLITAN COUNCIL FOR  
INDUSTRIAL TAX EXEMPTION APPLICATIONS  
SUBMITTED TO LED FOR PROJECTS LOCATED IN EAST  
BATON ROUGE PARISH.

BE IT RESOLVED by the Metropolitan Council of the Parish of  
East Baton Rouge and the City of Baton Rouge that guidelines for  
the approval or disapproval by the Metropolitan Council for  
Industrial Tax Exemption applications submitted to LED for  
projects located in East Baton Rouge Parish are hereby established.

## **East Baton Rouge Parish Metropolitan Council Industrial Tax Exemption Program Guidelines**

Louisiana Economic Development (LED) proposed new rules governing the Industrial Tax Exemption Program (ITEP) as a competitive incentive for job creation and, under compelling circumstances, job retention. Those rules were adopted by the Louisiana Board of Commerce and Industry and published in the Louisiana Register on August 20, 2018.

The East Baton Rouge Parish Metropolitan Council (Council) endorses the rules adopted by the Louisiana Board of Commerce and Industry to limit the ITEP abatement to an 80% abatement for a maximum of two five-year terms and to provide local governing entities discretion over whether exemptions are granted.

Transparent incentive rules which provide consistency and predictability allow ease in comprehension of the abatement structure.

Recognizing that these rules are to promote job creation and spur economic development in the parish, an exemption request which has been shown by LED's return on investment analysis to produce a positive return on investment to East Baton Rouge Parish and which has been approved by the Louisiana Board of Commerce and Industry shall win approval of Council, provided it meets the following criteria:

- I. The project is for a new facility considering locating in East Baton Rouge Parish, a major expansion of an existing facility or a project providing environmental benefits above and beyond any requirements of federal, state, or local law or judicial settlement.
- II. The project will bring about a net increase in permanent, full-time employment in the Parish, as defined in §502 of the state ITEP rules and §1101 of the state Quality Jobs program rules, of least fifteen permanent, full-time positions or ten percent of the applicant company's pre-project employment baseline.

Facilities facing the imminent prospect of closure or relocation to another parish or state may win approval for an industrial tax exemption request at the discretion of the Council, even without meeting the job creation standards above.

The recipient of an ITEP abatement forfeits its ability to apply for or receive local Enterprise Zone sales/use tax reimbursement to prevent stacking abatements on the same project during the ITEP abatement period.

Exemptions for Mega-Projects will be granted, as defined by ITEP rules section 502:

- 500+ jobs created.
- \$20,000,000+ payroll.
- \$10,000,000+ capital expenditure.
- All met within the first three years of operation.

Council shall not approve exemptions for capital expenditures deemed to be routine or not in a circumstance of competitive site selection process, including any project on which construction already has been completed prior to its exemption gaining approval from Council.

The City-Parish Finance Department shall create in-take forms to establish clear baselines and projections for outcomes referenced here, including for current applicant employment, projected applicant employment by category (direct, contract, etc.), current property value, projected ad valorem revenue yield and average depreciation schedule for any property receiving an exemption. Project commitments made to Council shall be included in approval resolutions.

When the Metropolitan Council Administrator (Administrator) is notified of an Industrial Tax Exemption affecting East Baton Rouge Parish has been approved by the Board of Commerce and Industry, the Administrator shall place an introduction to approve that Exemption on the Metropolitan Council Agenda within 30 days of said notification. That Introduction will set the date of public hearing no later than 60 days of the initial notification.