

THE ADVOCATE

Gov. John Bel Edwards orders disclosure of tax break applications

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In a word, Gov. John Bel Edwards told a gathering of advocates Thursday that he would order his state economic development agency to require companies seeking tax exemptions to do so in writing and to post those requests online within three days.

After a rambling question during a Together Louisiana meeting about whether the governor would enforce a more immediate disclosure,

Edwards simply answered, “Yes.”

The members of the liberal-leaning, faith-based group from across the state who had crowded Baton Rouge’s University Baptist Church sanctuary erupted in applause and gave Edwards a standing ovation.

The Sunshine Rule was part of a package of changes Edwards ordered to revamp the 81-year-old Industrial Tax Exemption Program, which allowed a state board to exempt a company from paying local property taxes.

Together Louisiana estimates that local governments lost \$23 billion in tax revenues over the past two decades. Edwards said ITEP started with good intentions but had evolved over the years without proper supervision.

In June 2016, Edwards ordered the Board of Commerce and Industry to stop routinely granting the exemptions, to tie the tax breaks to jobs created and to seek approval from the local entities, such as school boards, that would lose the tax revenues.



*Gov. John Bel Edwards, left, beams a broad smile after committing with a single word, 'Yes,' to the question by Together Louisiana's Edgar Cage, right, at the group's meeting Thursday, Nov. 9, 2017.
(PHOTO BY TRAVIS SPRADLING)*

As with any simple order, numerous issues arose and one of them was when and how the companies were supposed to disclose that the tax relief being sought.

Robert Adley, Edwards' representative on the Board of Commerce and Industry, said the Louisiana Economic Development department narrowly defined the rules because of a misunderstanding based largely on where the actual language was located in the new regulations.

The intent of the board always had been to make the ITEP applications publicly available on a state website, Adley said, adding that Edwards's statements cleared up the confusion.

Business officials interpreted the rules to mean upon application and not during the time when company officials were negotiating with local taxing authorities about if they would be open to granting such exemptions.

Broderick Bagert of Together Louisiana said Edwards' statement means disclosure when the companies approach local entities about a resolution offering the tax incentives. "That means at the beginning of the process," Bagert said.

"As regards transparency, each parish and each School Board has a prescribed procedure for passing resolutions and ordinances, on all public matters," Louisiana Economic Development Secretary Don Pierson said Thursday in a prepared statement. "ITEP resolutions are handled in the same way that all public matters that come before these public bodies are handled. Every parish will comply with its established procedures and public meeting requirements. ...There is no reason for state government to impose an additional administrative burden into this process that is already fully transparent."

Edwards also said his administration is working with the Louisiana Tax Commission to enact rules and procedures that would allow tax assessors to post online the property tax breaks given to companies. The information would be searchable, like homestead exemptions.

Assessors in most parishes should be able to post corporate property tax breaks by Spring 2018. A few smaller parishes will need money for software upgrades, Edwards said.