

2019 Regular Session

SENATE BILL NO. 237

BY SENATOR COLOMB

TAX/LOCAL. Provides relative to certain tax increment financing districts. (gov sig)

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AN ACT

To enact R.S. 33:9038.72, relative to certain special tax increment financing; to provide for the creation of tax increment financing districts; to provide for cooperative economic development; to provide for the powers and duties of the district, including the authority to levy ad valorem taxes, sales taxes, and hotel occupancy taxes; to provide relative to exemptions from taxation; to authorize the incurrence of debt through the issuance of bonds, notes, and other forms of indebtedness; to provide for the validation of bonds and cooperative endeavor agreements; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 33:9038.72 is hereby enacted to read as follows:

§9038.72. Tax increment financing districts

A. Creation. The legislature has determined that there are many areas of the state where there is substantial and persistent unemployment, underemployment, and other forms of economic distress. Economic distress causes hardship to many individual citizens of the state and their families and adversely affects the welfare and prosperity of the state and its people. In order

1 to address the needs of these areas for economic development and especially the
2 creation of employment opportunities, the governing authority of a parish with
3 a population of more than four hundred and forty thousand persons as
4 established by the most recent federal decennial census may create within the
5 portions of the parish that suffer from a lack of economic opportunities one or
6 more special tax increment financing districts, hereinafter referred to as the
7 "district".

8 B. Governance. (1) A district created as provided in Subsection A of this
9 Section shall be administered and governed by a board of commissioners,
10 hereinafter referred to as the "board". The board shall be comprised of the
11 following members:

12 (a) One member appointed by the president or chief executive officer of
13 the parish.

14 (b) One member appointed by the chief executive officer of the parish
15 governing authority.

16 (c) One member of the Louisiana Senate whose district includes all or the
17 greater portion of the area of the district.

18 (d) One member of the Louisiana House of Representatives whose
19 district includes all or the greater portion of the area of the district.

20 (e) One member who resides in the district or owns property within the
21 district, if that person applies for membership on the board and is approved by
22 a majority of the other board members. Only one person appointed pursuant
23 to this Subparagraph may be a member of the board.

24 (2) A majority of the members of the board shall constitute a quorum for
25 the transaction of business. The board shall keep minutes of all meetings and
26 shall make them available for inspection through the board's secretary. The
27 minute books and archives of the district shall be maintained by the board's
28 secretary. The monies, funds, and accounts of the district shall be in the official
29 custody of the board.

1 **(3) The board shall adopt bylaws and prescribe rules to govern its**
2 **meetings. The members of the board shall serve without salary or per diem and**
3 **shall be entitled to reimbursement for reasonable, actual, and necessary**
4 **expenses incurred in the performance of their duties to the extent that funds are**
5 **available and as provided by the board.**

6 **(4) The domicile of the board shall be established by the board at a**
7 **location within the district.**

8 **(5) The board shall elect from its own members a president and**
9 **secretary, whose duties shall be provided in the bylaws adopted by the district.**
10 **The board shall hold regular meetings and may hold special meetings as**
11 **provided in its bylaws. All meetings shall be public meetings subject to the**
12 **provisions of R.S. 42:11 et seq.**

13 **C. Rights and powers. In addition to the authority provided for in**
14 **Subsection D of this Section, the district, acting by and through its board of**
15 **commissioners, shall have and exercise all powers of a political subdivision and**
16 **a special district necessary or convenient for the carrying out of its objects and**
17 **purposes including but not limited to the following:**

18 **(1) To sue and be sued.**

19 **(2) To adopt bylaws and rules and regulations.**

20 **(3) To receive by gift, grant, or donation any sum of money, property, aid**
21 **or assistance from the United States, the state of Louisiana, or any political**
22 **subdivision thereof, or any person, firm, or corporation.**

23 **(4) For the public purposes of the district, to enter into contracts,**
24 **agreements, or cooperative endeavors with the state and its political**
25 **subdivisions or political corporations and with any public or private association,**
26 **corporation, business entity, or individual.**

27 **(5) To appoint officers, agents, and employees, prescribe their duties, and**
28 **fix their compensation.**

29 **(6) To acquire by gift, grant, purchase, or lease such property as may be**

1 necessary or desirable for carrying out the objectives and purposes of the
2 district and to mortgage and sell property. Any lease or sublease entered into
3 by the district for the purpose, directly or indirectly, of securing or providing
4 revenues to be used to pay the principal or interest on bonds of the district may
5 be for a period not exceeding ninety-nine years.

6 (7) In its own name and on its own behalf, to incur debt and to issue
7 bonds, notes, certificates, and other evidences of indebtedness. For the purposes
8 of this Paragraph, the district shall be deemed and considered to be an issuer
9 for purposes of R.S. 33:9037 and shall, to the extent not in conflict with this
10 Section, be subject to the provisions of R.S. 33:9037.

11 (8) To establish funds or accounts as are necessary for the conduct of the
12 affairs of the district.

13 (9) To do all things reasonably necessary to accomplish the purposes of
14 this Section.

15 (10) To designate by ordinance any territory within the district as a
16 subdistrict in which shall be exercised, to the exclusion of the remainder of the
17 district, any authority provided to the district by Subsection D of this Section
18 or any other provision of this Section or other law.

19 D. Taxing, tax incremental financing, and bond authority. (1) To provide
20 for the costs of a project to fund infrastructure within the district, the district
21 shall have tax increment finance authority, taxing authority, and other
22 authority that is provided to local governmental subdivisions in Part II of
23 Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950, including but
24 not limited to the following items:

25 (a) Ad valorem tax increment financing and bonding as provided in R.S.
26 33:9038.33.

27 (b) Sales tax increment financing and bonding as provided in R.S.
28 33:9038.34.

29 (c) Cooperative endeavor authority as provided in R.S. 33:9038.35.

1 (d) Bond authority as provided in R.S. 33:9038.38.

2 (e) Ad valorem tax, sales tax, and hotel occupancy tax authority as
3 provided in R.S. 33:9038.39.

4 (2) A project to fund infrastructure within the district is deemed to be
5 an "economic development project" within the meaning provided for in Part II
6 of this Chapter.

7 (3) An agreement entered into by the district and any affected tax
8 recipient entity authorizing the use and dedication of the affected tax recipient
9 entity's incremental increase in taxes may include additional public or private
10 entities as parties to the agreement and may include terms, conditions, and
11 other provisions to which all parties to such agreement consent.

12 (4) Notwithstanding any provision of Part II of Chapter 27 of Title 33 of
13 the Louisiana Revised Statutes of 1950 or any other law to the contrary, any
14 powers, authorities, or duties granted under these laws may be restricted to a
15 subdistrict the territory of which shall be established by ordinance of the board
16 of commissioners of the district.

17 E. Project financing. The district may pledge any taxes collected under
18 the authority of this Section to any economic development project in
19 furtherance of the purposes of the district.

20 F. Any suit or action to determine or contest the validity of any
21 cooperative endeavor, or any bonds, notes, or other forms of indebtedness of the
22 district shall be brought and conducted only in accordance with the provisions
23 of Part XVI of Chapter 32 of Title 13 of the Louisiana Revised Statutes of 1950,
24 as amended.

25 G. Exemption from taxation. The exercise of the powers and authorities
26 granted by this Section shall be in all respects for the benefit of the citizens of
27 the state and for the promotion of their welfare, convenience, and prosperity.
28 Property of the district, whether immovable, personal, tangible or intangible,
29 and the income, earnings, and operations of the district, shall be exempt from

within the district, the district shall have such tax increment finance authority, taxing authority, and other authority that is provided to local governmental subdivisions in present law, including but not limited to the following:

- (1) Ad valorem tax increment financing and bonding.
- (2) Sales tax increment financing and bonding.
- (3) Cooperative endeavor authority.
- (4) Bond authority.
- (5) Ad valorem tax, sales tax, and hotel occupancy tax authority.

Proposed law provides that a project to fund infrastructure within the district is deemed to be an "economic development project" within the meaning provided for in present law.

Proposed law provides that an agreement entered into by the district and any affected tax recipient entity authorizing the use and dedication of the affected tax recipient entity's incremental increase in taxes may include additional public or private entities as parties to such agreement and may include such terms, conditions, and other provisions to which all parties to such agreement consent.

Proposed law authorizes the district to pledge any taxes collected under the authority of proposed law to any economic development project in furtherance of the purposes of the district.

Proposed law provides that any suit or action to determine or contest the validity of any cooperative endeavor, or any bonds, notes, or other forms of indebtedness of the district shall be brought and conducted only in accordance with present law providing for bond validations.

Proposed law provides that all property of the district, and the income, earnings, and operations of the district, shall be exempt from all taxation, fees, or assessments, or any other similar charges; provided, however, that such exemption shall terminate when the district sells, or otherwise disposes of the property in the district to any purchaser or transferee not a public body.

Proposed law provides that the district shall dissolve and cease to exist one year after the date all bonds, notes, and other evidences of indebtedness of the district, including refunding bonds, are paid in full as to both principal and interest; however, under no event shall the district have an existence of less than three years.

Proposed law provides that as proposed law is necessary for the welfare of the parish, districts, and its residents, it shall be liberally construed to effect the purposes thereof.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 33:9038.72)