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DIGEST

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SB 193 Reengrossed

2015 Regular Session

Thompson

Proposed law creates the Walnut Street Special District in the city of Monroe as a special district and political subdivision of the state to provide for cooperative economic development between the district, the city of Monroe, and the owner or owners of businesses and other property within the district in order to provide for costs related to infrastructure within the district as determined by the board of commissioners of the district.

Proposed law provides that the district is to be comprised of the area of the city of Monroe in the blocks of 108-128 Walnut Street in the city of Monroe to Art Alley (2nd Street), an area of approximately one city block which must be further defined by an ordinance of the board of commissioners of the district.

Proposed law provides that the district is to be administered by a board of commissioners as follows:

- (1) The mayor of the city of Monroe, or his designee.
- (2) The chair of the Monroe city council, or his designee.
- (3) The president/CEO of the Monroe-West Monroe Convention and Visitor's Bureau of Ouachita Parish, or his designee.
- (4) Any person who is an owner of property within the district, or an authorized representative of an entity which is an owner of property within the district, if such person or authorized representative applies to the board for membership on the board, or that person's or representative's designee.

Proposed law provides that members of the board serve without salary or per diem and are entitled to reimbursement for reasonable, actual, and necessary expenses incurred in the performance of their duties.

Proposed law requires the board to elect from its own members a president and secretary, whose duties shall be common to such offices or as may be provided by bylaws adopted by the district. Provides that all meetings are public meetings subject to the provisions of R.S. 42:4.1 et seq. Requires that the domicile of the board be established at a location within the city of Monroe.

Proposed law provides that the district has the rights and powers common to special districts including to incur debt and issue bonds, notes, and other indebtedness in its own name and on its own behalf.

Present law authorizes entities defined in present law as "issuers" and "local governmental subdivisions" to implement ad valorem tax and sales tax increment financing (TIF) and to issue revenue bonds backed by a pledge of the tax increments to finance all or any part of an economic development project.

Present law authorizes such "local governmental subdivisions" to enter into a joint venture or cooperative endeavor for a public purpose with a federal, state, or local governmental agency or with a private or public firm, partnership, corporation, or other entity.

Present law authorizes such "local governmental subdivisions" to issue revenue bonds and other bonds and forms of indebtedness.

Present law authorizes economic development districts created by "local governmental subdivisions", subject to voter approval, to levy an ad valorem tax of up to 5 mills, a sales tax of up to 2%, and a hotel tax of up to 2% after the governing authority of the district gives notice and meets in open and public session to hear any objections.

Proposed law retains present law and defines the Walnut Street Special District as an "issuer" and a "local governmental subdivision" for purposes of utilizing such taxing, bonding, and TIF authority.

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 pursuant to proposed law to any economic development project in furtherance of the purposes of the district.

Proposed law requires the district to dissolve and cease to exist one year after the date all indebtedness of the district is paid in full as to both principal and interest.

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

(Amends R.S. 33:9038.31(2) and (3); Adds R.S. 33:9038.68)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Local and Municipal Affairs to the original bill

1. Limits the method by which the district may receive money, property or aid from public and private entities to gifts, grants or donations only.
2. Technical amendments.

Senate Floor Amendments to engrossed bill

1. Limits the method by which the district may acquire property to carry out its objectives to gifts, grants, purchase, or lease only.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Municipal, Parochial and Cultural Affairs to the reengrossed bill:

1. Relative to the agreement entered into by the district and any affected tax recipient entity authorizing the use and dedication of tax increments, grants the district the authority to include additional entities as parties to such agreement and provides relative its terms and conditions.
2. Remove provisions that specify certain financing tools that may be used by the district.