

2018 Regular Session

SENATE BILL NO. 346

BY SENATOR WALSWORTH

TAX/TAXATION. Authorizes local taxing authorities to enter into cooperative endeavor agreements that provide for stipulated tax payments. (See Act)

1 AN ACT

2 To amend and reenact R.S. 33:9021(8) and (10) and to enact R.S. 33:2758.1, relative to
3 cooperative endeavor agreements; to authorize local ad valorem taxing authorities
4 to enter into cooperative endeavor agreements that provide for stipulated tax
5 payments; to provide for local advisory committees for each parish; to provide for
6 the membership and responsibilities of the advisory committees; to provide for
7 effectiveness; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 33:9021(8) and (10) are hereby amended and reenacted and R.S.
10 33:2758.1 is hereby enacted to read as follows:

11 **§2758.1. Cooperative endeavor agreements authorizing stipulated ad valorem**
12 **tax payment**

13 **A. For the public purpose of promoting and encouraging economic**
14 **development within any parish, one or more local governmental subdivisions**
15 **or any other entities having taxing authority within the parish may execute a**
16 **joint or separate cooperative endeavor agreement with any owner of property**
17 **located within the parish and on which new or expanded manufacturing,**

1 industrial, or other commercial operations are conducted, or will be conducted,
2 that provides for negotiated, stipulated tax payments with respect to ad valorem
3 taxes levied on the property by a taxing authority that is a party to the
4 cooperative endeavor agreement, subject to the authority granted under Article
5 VII, Sections 14(C) and 21(O) of the Louisiana Constitution and this Section.

6 B.(1) Cooperative endeavor agreements may be executed by any local
7 governmental subdivision or subdivisions or other taxing authorities,
8 hereinafter referred to as a "taxing authority", only after approval by the
9 taxing authority as evidenced by a resolution adopted by the taxing authority,
10 for itself and all districts and subunits created by it respectively, or by
11 resolution of any other statutory taxing authorities or by letter of approval of
12 the sheriff approving the form and terms of the agreement.

13 (2) A public hearing shall be conducted by a taxing authority before
14 adoption of any resolution approving a cooperative endeavor agreement
15 providing for stipulated tax payments. Notice of the hearing and the proposed
16 resolution shall be published in the official journal of the applicable taxing
17 authority at least once, no later than fourteen days prior to the hearing, or if
18 there is no official journal of the taxing authority, in the official journal of the
19 parish where the manufacturing, industrial, or other commercial establishment
20 is or will be sited. The notice shall inform the public where a copy of the
21 proposed cooperative endeavor agreement may be obtained and the time and
22 place of the hearing.

23 (3) The cooperative endeavor agreement shall only apply to those taxing
24 authorities that are parties to the agreement. Any non-participating taxing
25 authority shall not be bound by the agreement and its ad valorem taxes shall
26 continue to be billed and collected without regard to the provisions of this
27 Section.

28 C. (1) If otherwise authorized by law, a majority of the taxing authorities
29 within a parish may form a standing advisory committee. If formed, the

1 committee shall be referred to as the "STP Advisory Committee" for the parish
2 and shall evaluate and advise taxing authorities with respect to the following:

3 (a) Any stipulated tax payment authorized by this Section as proposed
4 by any taxing authority within such parish.

5 (b) The proposed terms of any related cooperative endeavor agreement.

6 (2) Each STP Advisory Committee shall be comprised of the following
7 members:

8 (a) The parish president or mayor-president for the parish or their
9 designee.

10 (b) The parish sheriff or the sheriff's designee.

11 (c) The school board president or the school board president's designee.

12 (d) The assessor for the parish or the assessor's designee.

13 (e) Three residents of the parish appointed at-large by the parish
14 president, provided, if all or a portion of the property referenced in Section A
15 of this Section, is located within the incorporated limits of any city or town, one
16 of the at-large appointments may include the mayor of the city or town, or the
17 mayor's designee. The owner of property subject to a cooperative endeavor
18 agreement shall not be one of the at-large members.

19 (3) Each STP Advisory Committee may establish its own processes,
20 procedures, and criteria to evaluate and advise taxing authorities, subject to the
21 other terms of this Subsection regarding any proposed stipulated tax payment
22 and related cooperative endeavor agreement.

23 (4) Each taxing authority that is considering executing a cooperative
24 endeavor agreement providing for a stipulated tax payment shall submit a
25 request to the STP Advisory Committee for advice and consideration before
26 entering into the agreement. The STP Advisory Committee shall provide any
27 findings and advice to the taxing authority within thirty days from the date the
28 request is received.

29 (5) The evaluation findings and advice of the STP Advisory Committee

1 shall not be binding on any taxing authority.

2 (6) If STP Advisory Committee is established in a parish, taxing
3 authorities may negotiate cooperative endeavor agreements providing for a
4 stipulated tax payment with taxpayers and other taxing authorities as permitted
5 by law.

6 D. Any property subject to a cooperative endeavor agreement that
7 provides for a stipulated tax payment shall remain on the assessment rolls for
8 the parish or parishes where the property is located, provided, however, the ad
9 valorem tax related to the property's assessment shall be reflected as the
10 amount negotiated by the taxing authorities as authorized by Article VII,
11 Sections 14(C) and 21(O) of the Louisiana Constitution and the terms of this
12 Section.

13 E. Payment obligations, transferability, collection procedures, which may
14 include the designation of a collector, and any other matters relating to the
15 payment and collection of a stipulated tax payment shall be set forth in the
16 cooperative endeavor agreement.

17 F. In order to provide a uniform, expeditious, and equitable procedure
18 to determine the validity of a cooperative endeavor agreement authorized under
19 this Section, as well as any transaction contemplated in the agreement, a suit to
20 determine the validity of the agreement may be filed as provided in R.S.
21 13:5121, et seq., in the district court having jurisdiction for any party to the
22 agreement in the same manner and as though the agreement constitutes an
23 issuance of bonds by the taxing authority.

24 * * *

25 §9021. Findings, declarations of necessity, and purpose

26 It is hereby found and declared that:

27 * * *

28 (8) Public-private partnerships which take advantage of the special expertise
29 and experience of representatives of the private sector and other cooperative

Proposed law provides that the parish standing advisory committee shall include the following members:

- (1) The parish president or mayor-president for the parish or their designee.
- (2) The sheriff or the sheriff's designee.
- (3) The school board president or the school board president's designee.
- (4) The assessor for the parish or the assessor's designee.
- (5) Three residents of the parish appointed at-large by the parish president.

Proposed law authorizes each parish standing advisory committee to establish its own processes, procedures, and criteria to evaluate proposed stipulated tax payments and related cooperative endeavor agreements.

Proposed law provides that before entering into a cooperative endeavor agreement providing for a stipulated tax payment a taxing authority shall submit a request to the parish standing advisory committee which shall respond to the taxing authority within 30 days from the date the request is received and that the findings and advice of the advisory committee are not binding.

Proposed law provides that if no advisory committee is established in a parish, taxing authorities may negotiate cooperative endeavor agreements as permitted by law.

Proposed law requires that any property subject to a cooperative endeavor agreement that provides for a stipulated tax payment remain on the assessment rolls for the parish or parishes where the property is located.

Proposed law provides that matters relating to the payment and collection of a stipulated tax payment shall be set forth in the cooperative endeavor agreement.

Proposed law authorizes the filing of a suit to determine the validity of a cooperative endeavor agreement entered into pursuant to proposed law in the district court having jurisdiction for any party to the agreement.

Effective if and when the proposed addition of Article VII, Section 21(O) of the Constitution of Louisiana contained in the Act which originated as SB ____ of the 2018 RS is adopted at the statewide election to be held on November 6, 2018, and becomes effective.

(Amends R.S. 33:9021(8) and (10); adds R.S. 33:2758.1)