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The original instrument was prepared by Martha Hess. The following digest, which does not constitute a part of the legislative instrument, was prepared by LG Sullivan.

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## DIGEST

SB 237 Re-Reengrossed

2019 Regular Session

Colomb

Proposed law authorizes the creation of one or more tax increment financing districts in parishes with a population of more than 440,000 persons as established by the most recent federal decennial census in order to address the needs of areas where there is substantial and persistent unemployment, underemployment, and other forms of economic distress.

Proposed law provides that the district shall be established by ordinance, which ordinance shall designate the boundaries of the district. Prior to adoption of the ordinance, a notice of the boundaries of the district shall be advertised twice in the official journal of the parish.

Proposed law provides that in determining the boundaries of the district, the parish governing authority shall consider the U.S. Census Bureau, American Community Survey 5-year estimates, ZIP Code Tabulation Areas (ZCTA). The district may contain all or a part of one or more ZCTAs with a poverty rate at least 20% more than the poverty rate for the entire parish. Further provides that the ZCTA in which the parish seat of government is located shall not be included in any district.

Proposed law provides that if the governing authority of a parish proposes to establish a district whose boundaries include any territory located within the corporate limits of a municipality, the parish governing authority shall not adopt the ordinance creating the district without the written consent of the governing authority of the municipality.

Proposed law provides for the composition, quorum, and domicile of the board of commissioners, and for public meetings, officers, bylaws, and records.

Proposed law authorizes the governing authority of the parish to authorize which, if any, members of the board may have designees represent them at board meetings.

Proposed law provides that each district, acting by and through its board, shall exercise all powers of a political subdivision, including the right to sue and be sued; to receive gifts, grants, and donations; to enter into contracts and cooperative endeavor agreements; to appoint officers, agents, and employees; to acquire or lease property; to incur debt; and to issue bonds, notes, and other evidences of indebtedness in accordance with present law; and to do all things necessary to accomplish the purposes of proposed law.

Proposed law authorizes the board to designate subdistricts within the district and to provide relative to the authority of the subdistricts.

Proposed law provides that in order to provide for the costs of an economic development project,

as defined in present law, within the district, the district shall have the 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) State and local sales tax increment financing and bonding, except that the sales tax increment shall not exceed the greater of the aggregate portion of the local sales tax increment dedicated for the purposes of the district or the portion of the state sales tax from a 2% tax levy.
- (3) Cooperative endeavor authority.
- (4) Bond authority.
- (5) Ad valorem tax, sales tax, and hotel occupancy tax authority.

Proposed law provides that an economic development project 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 the agreement and may include terms, conditions, and other provisions to which all parties to the 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, assessments, and any other similar charges. Provides, however, that the 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. Provides that in 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 their residents, it shall be liberally construed to effect the purposes of proposed law.

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

(Adds R.S. 33:9038.72)

#### Summary of Amendments Adopted by Senate

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

1. Provides that the establishment of the district shall be by ordinance, which shall designate the boundaries of the district.
2. Provides for two publications of a notice prior to adoption of the ordinance by the parish governing authority.
3. Authorizes the governing authority of the creating parish to authorize which, if any, members of the board may have a designee at meetings.
4. Provides that projects will be economic development projects as defined in present law.
5. Clarifies that sales tax increment finances may apply to state and local sales taxes.
6. Clarifies that any subdistrict created must be located within the district boundaries.

##### Committee Amendments Proposed by Senate Committee on Finance to the engrossed bill

1. Provides that the parish governing authority shall consider the U.S. Census Bureau, American Community Survey 5-year estimates, ZIP Code Tabulation Areas (ZCTA) in setting the district boundaries.
2. Provides that the district may contain all or a part of one or more ZCTAs with a poverty rate of 20% or more than the poverty rate for the entire parish.
3. Provides that the ZCTA in which the parish seat of government is located shall not be included in a district.
4. Provides that the district boundaries cannot include territory within a municipality unless the governing authority of the municipality gives written consent.
5. Adds one member with economic development experience to the board, to be appointed by the chief executive officer of the parish.

6. Provides that the sales tax increment shall not exceed the greater of the aggregate portion of the local sales tax increment dedicated for the purposes of the district or the portion of the state sales tax from a 2% tax levy.

Summary of Amendments Adopted by Senate

Senate Floor Amendments to reengrossed bill

1. Makes technical changes.