

SENATE BILL NO. 237

BY SENATORS COLOMB AND BARROW AND REPRESENTATIVE MARCELLE

1 AN ACT

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

10 Be it enacted by the Legislature of Louisiana:

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

12 **§9038.72. Tax increment financing districts**

13 **A. Creation. (1) The legislature has determined that there are many**
14 **areas of the state where there is substantial and persistent unemployment,**
15 **underemployment, and other forms of economic distress. Economic distress**
16 **causes hardship to many individual citizens of the state and their families and**
17 **adversely affects the welfare and prosperity of the state and its people. In order**
18 **to address the needs of these areas for economic development and especially the**
19 **creation of employment opportunities, the governing authority of a parish with**
20 **a population of more than four hundred forty thousand persons, as established**
21 **by the most recent federal decennial census, may create within the portions of**
22 **the parish that are economically distressed and suffer from a lack of economic**

1 opportunities one or more special tax increment financing districts, hereinafter
2 referred to as the "district".

3 (2)(a) The governing authority of a parish as described in Paragraph (1)
4 of this Subsection shall establish the district by ordinance. The ordinance shall
5 designate the boundaries of the district.

6 (b) When determining whether a portion of a parish suffers from a lack
7 of economic opportunities and specifically the creation of employment
8 opportunities, the governing authority of a parish shall consider and use the
9 data published by the United States Census Bureau relative to individuals below
10 poverty level contained in the most recent edition of the "American Community
11 Survey 5-year estimates". Specifically, the governing authority of a parish shall
12 establish the boundaries of any district established pursuant to this Section
13 utilizing the data relative to poverty levels as found in ZIP Code Tabulation
14 Areas (ZCTA) published by the United States Census Bureau and which are
15 approximate representations of the United States Postal Service five-digit ZIP
16 codes. The district may contain all or a part of one or more ZCTAs with a
17 poverty rate of twenty percent or more than the poverty rate for the entire
18 parish. The ZCTA in which the seat of government for a parish is located shall
19 not be included in any such district.

20 (3) Prior to the adoption of the ordinance, a notice describing the
21 boundaries of the proposed district or containing a map showing the boundaries
22 of the district shall be published two times in the official journal of the parish.

23 (4) Notwithstanding any other provision of law to the contrary, if the
24 governing authority of a parish proposes to establish, by ordinance, an
25 increment financing district whose boundaries include any territory located
26 within the corporate limits of a municipality, the governing authority of the
27 parish shall not adopt the ordinance to create any such district without the prior
28 written consent of the governing authority of the municipality.

29 B. Governance. (1) A district created as provided in Subsection A of this
30 Section shall be administered and governed by a board of commissioners,

1 hereinafter referred to as the "board". The board shall be comprised of the
2 following members:

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

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

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

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

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

15 (f) One member with economic development experience appointed by
16 the president or chief executive officer of the parish.

17 (g) The governing authority of a parish as described in Paragraph (A)(1)
18 may authorize which, if any, members of the board may have a designee
19 represent them at a meeting of the board.

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

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

1 (4) The domicile of the board shall be established by the board at a
2 location within the district.

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

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

13 (1) To sue and be sued.

14 (2) To adopt bylaws and rules and regulations.

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

18 (4) For the public purposes of the district, to enter into contracts,
19 agreements, or cooperative endeavors with the state and its political
20 subdivisions or political corporations and with any public or private association,
21 corporation, business entity, or individual.

22 (5) To appoint officers, agents, and employees, prescribe their duties, and
23 fix their compensation.

24 (6) To acquire by gift, grant, purchase, or lease such property as may be
25 necessary or desirable for carrying out the objectives and purposes of the
26 district and to mortgage and sell property. Any lease or sublease entered into
27 by the district for the purpose, directly or indirectly, of securing or providing
28 revenues to be used to pay the principal or interest on bonds of the district may
29 be for a period not exceeding ninety-nine years.

30 (7) In its own name and on its own behalf, to incur debt and to issue

1 bonds, notes, certificates, and other evidences of indebtedness. For the purposes
 2 of this Paragraph, the district shall be deemed and considered to be an issuer
 3 for purposes of R.S. 33:9037 and shall, to the extent not in conflict with this
 4 Section, be subject to the provisions of R.S. 33:9037.

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

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

9 (10) To designate by ordinance any territory within the district as a
 10 subdistrict which shall exercise, to the exclusion of the remainder of the district,
 11 any authority provided to the district by Subsection D of this Section or any
 12 other provision of this Section or other law.

13 D. Taxing, tax incremental financing, and bond authority. (1) To provide
 14 for the costs of an economic development project as defined in R.S. 33:9038.36
 15 within the district, the district shall have tax increment finance authority, taxing
 16 authority, and other authority that is provided to local governmental
 17 subdivisions in Part II of Chapter 27 of Title 33 of the Louisiana Revised
 18 Statutes of 1950, including but not limited to the following items:

19 (a) Ad valorem tax increment financing and bonding as provided in R.S.
 20 33:9038.33.

21 (b) Local and state sales tax increment financing and bonding as
 22 provided in R.S. 33:9038.34, except that the state sales tax increment shall not
 23 exceed the greater of the aggregate portion of the local sales tax increment
 24 dedicated for the purposes of the district or the portion of the state sales tax
 25 from a tax levy of two percent.

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

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

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

30 (2) An economic development project within the district is deemed to be

1 an "economic development project" within the meaning provided for in Part II
2 of this Chapter.

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

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

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

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

22 G. Exemption from taxation. The exercise of the powers and authorities
23 granted by this Section shall be in all respects for the benefit of the citizens of
24 the state and for the promotion of their welfare, convenience, and prosperity.
25 Property of the district, whether immovable, movable, corporeal, or
26 incorporeal, and the income, earnings, and operations of the district, shall be
27 exempt from all taxation, fees or assessments, or any other similar charges,
28 however, this exemption shall terminate when the district sells, or otherwise
29 disposes of the property in the district to any purchaser or transferee which is
30 not a public body.

1 **H. Term. The district shall dissolve and cease to exist one year after the**
 2 **date all bonds, notes, and other evidences of indebtedness of the district,**
 3 **including refunding bonds, are paid in full as to both principal and interest. In**
 4 **no event shall the district have an existence of less than three years.**

5 **I. Liberal Construction. This Section, being necessary for the welfare of**
 6 **the parish, districts, and its residents, shall be liberally construed to effect the**
 7 **purposes thereof.**

8 Section 2. This Act shall become effective upon signature by the governor or, if not
 9 signed by the governor, upon expiration of the time for bills to become law without signature
 10 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 11 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 12 effective on the day following such approval.

 PRESIDENT OF THE SENATE

 SPEAKER OF THE HOUSE OF REPRESENTATIVES

 GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____