

## RÉSUMÉ DIGEST

ACT 240 (SB 396)

2020 Regular Session

Abraham

New law authorizes a local governmental subdivision or other taxing authority (hereinafter "taxing authority") to enter into a cooperative endeavor agreement that provides for payments in lieu of ad valorem taxes imposed by that taxing authority, subject to the approval of the parish governing authority, the school board, the municipal governing authority, as evidenced by the adoption of a resolution for that purpose, and the sheriff as evidence by a letter.

New law requires that the tax assessor be consulted in the negotiation of the cooperative endeavor agreement terms.

New law requires that a public hearing be held prior to the adoption of a resolution for the approval of a cooperative endeavor agreement pursuant to new law. Public notice is required in the form of advertisement in the official journal of the taxing authority, or in the absence of an official journal, its local equivalent, at least once no later than 14 days prior to the hearing. The public notice shall provide for where a copy of the draft cooperative endeavor agreement may be obtained and the time and place of the hearing.

New law requires the business requesting the approval of the cooperative endeavor agreement to provide a copy of the new agreement to the Dept. of Economic Development (DED) for review. The public hearing cannot be scheduled until the business receives a written summary by DED of the economic impacts of the project.

New law provides that any property subject to an agreement shall be exempt from ad valorem taxation or may provide for a reduction in ad valorem taxes during the term of the agreement to the extent provided for in the agreement.

New law limits cooperative endeavor agreements entered into for payment in lieu of taxes to a term of no more than 25 years.

New law provides that a cooperative endeavor agreement shall have no application to any ad valorem tax of a taxing authority that is not a party to the agreement.

New law limits eligibility for the exemption to the property of a manufacturing establishment that qualifies for the industrial tax exemption.

New law further prohibits eligibility for this exemption for a manufacturing establishment that has had a contract for the industrial tax exemption, unless it is within the first four years of the industrial tax exemption contract.

New law requires that exempt properties be listed on the assessment rolls and information concerning those properties be submitted to the La. Tax Commission.

New law provides that administrative provisions concerning the collection of monies due under an agreement shall be the same as those for ad valorem taxes. Further, the validity of an agreement, as well as any transaction contemplated thereby, may be determined by the filing of a suit as provided in prior law, in the district court having jurisdiction for any party to the agreement in the same manner and as though the agreement constitutes an issuance of bonds by the taxing authority.

Prior law defined a "cooperative endeavor agreement" as a form of economic development assistance between and among the state and local governments and other entities.

New law retains prior law and adds "agreements providing for payments in lieu of taxes" to the definition of "cooperative endeavor agreement".

New law defines "manufacturing establishment" as a new plant or establishment or an addition or additions to any existing plant or establishment which engages in the business of working raw materials into wares suitable for use or which gives new shapes, qualities, or combinations to matter which already has gone through some artificial process.

Effective if and when SB 272 of the 2020 RS is enacted and becomes effective.

(Amends R.S. 33:9021(8) and (10), and 9022(1); adds R.S. 33:2759)