

Regular Session, 2010

SENATE BILL NO. 716

BY SENATOR DORSEY

TAX/TAXATION. Creates the Thomas H. Delpit Area Special District in the parish of East Baton Rouge and grants it certain TIF and tax authority to finance economic development projects within the district. (7/1/10)

1 AN ACT

2 To amend and reenact R.S. 33:9038.31(3) and to enact R.S. 33:9038.43, relative to the
3 Thomas H. Delpit Area Special District; to create the district and provide for its
4 authority; to grant to the district certain tax increment finance and tax authority; and
5 to provide for related matters.

6 Notice of intention to introduce this Act has been published.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 33:9038.31(3) is hereby amended and reenacted and R.S. 33:9038.43
9 is hereby enacted to read as follows:

10 §9038.31. Definitions

11 As used in this Part, the following terms shall have the following meanings,
12 unless the context requires otherwise:

13 * * *

14 (3) "Local governmental subdivision" means any municipality or parish or
15 any municipality, parish, local industrial board, ~~or~~ local public trust authorized
16 pursuant to R.S. 33:9038.33(N) or 9038.34(N) having jurisdiction over the
17 geographical area bounded by the Mississippi River, the Orleans/Jefferson parish

1 line and the Orleans/Plaquemines parish line, or the Thomas H. Delpit Area
2 Special District; but the provisions of this Part shall not apply to any of the
3 financing of construction, renovations, or improvements of any convention center,
4 hotel complex, and ancillary facilities within any municipality having a population
5 in excess of one hundred ninety thousand persons but not more than two hundred
6 five thousand persons according to the latest federal decennial census. However, the
7 provisions of this Part shall apply to any parish having a population of not more than
8 one hundred thirty thousand persons and not less than one hundred twenty thousand
9 persons, according to the most recent federal decennial census, only as provided in
10 R.S. 33:3098.41.

11 * * *

12 **§9038.43. Thomas H. Delpit Area Special District**

13 **A. Creation. The Thomas H. Delpit Area Special District, a special**
14 **district and political subdivision of the state, hereinafter referred to as the**
15 **"district" is hereby created in the parish of East Baton Rouge.**

16 **B. The district shall be comprised of the area of East Baton Rouge Parish**
17 **within the following boundaries:**

18 **West on Terrace Street from Braddock Street to Napoleon Street; then**
19 **south on Napoleon Street to E. Harrison Street; then east on E. Harrison Street**
20 **to Georgia Street; then north on Georgia Street to Braddock Street; then north**
21 **on Braddock Street to Terrace Street.**

22 **C. Purpose. The district is created to provide for cooperative economic**
23 **development between the district, the city of Baton Rouge, and the owner or**
24 **owners of businesses, residences, and other property within the district in order**
25 **to provide for housing, renovation, restoration, and development within the**
26 **district.**

27 **D. Governance. (1) In order to provide for the orderly development of**
28 **the district and effectuation of the purposes of the district, the district shall be**
29 **administered and governed by a board of commissioners of four people as**

1 **follows:**

2 **(a) The mayor-president of East Baton Rouge or his designee.**

3 **(b) One member appointed by the city-parish metro council.**

4 **(c) One member appointed by the Senator representing the district.**

5 **(d) One member appointed by the member of the House of**
6 **Representatives representing the district.**

7 **(2) A majority of the members of the board shall constitute a quorum for**
8 **the transaction of business. The board shall keep minutes of all meetings and**
9 **shall make them available for inspection through the board's secretary. The**
10 **minute books and archives of the district shall be maintained by the board's**
11 **secretary. The monies, funds, and accounts of the district shall be in the official**
12 **custody of the board.**

13 **(3) The board shall adopt bylaws and prescribe rules to govern its**
14 **meetings. The members of the board shall serve without salary or per diem and**
15 **shall be entitled to reimbursement for reasonable, actual and necessary**
16 **expenses incurred in the performance of their duties.**

17 **(4) The domicile of the board shall be established by the board at a**
18 **location within the district.**

19 **(5) The board shall elect from its own members a president, vice-**
20 **president, secretary and treasurer, whose duties shall be common to such offices**
21 **or as may be provided by bylaws adopted by the district. At the option of the**
22 **board or as provided in the bylaws, the offices of secretary and treasurer may**
23 **be held by one person. The board shall hold regular meetings and may hold**
24 **special meetings as provided in the bylaws. All such meetings shall be public**
25 **meetings subject to the provisions of R.S. 42:4.1 et seq.**

26 **E. Rights and powers. In addition to the taxing, tax increment finance,**
27 **and bonding authority provided for in Subsection F of this Section, the district,**
28 **acting by and through its board of commissioners, shall have and exercise all**
29 **powers of a political subdivision and a special district necessary or convenient**

1 for the carrying out of its objects and purposes including but not limited to the
2 following:

3 (1) To sue and to be sued.

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

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

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

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

14 (6) To acquire by gift, grant, purchase, lease, or otherwise such property
15 as may be necessary or desirable for carrying out the objectives and purposes
16 of the district and to mortgage and sell such property.

17 (7) In its own name and on its own behalf, to incur debt and to issue
18 bonds, notes, certificates and other evidences of indebtedness. For this purpose
19 the district shall be deemed and considered to be an issuer for purposes of R.S.
20 33:9037 and shall, to the extent not in conflict with this Section, be subject to the
21 provisions of R.S. 33:9037.

22 (8) Establish such funds or accounts as are necessary for the conduct of
23 the affairs of the district.

24 F. The district shall have such tax increment finance authority, taxing
25 authority, and other authority that is provided to local governmental
26 subdivisions in Part II of Chapter 27 of Title 33 of the Louisiana Revised
27 Statutes of 1950, including but not limited to: ad valorem tax increment
28 financing and bonding in R.S. 33:9038.33; sales tax increment financing and
29 bonding in R.S. 33:9038.34; cooperative endeavor authority in R.S. 33:9038.35;

1 **bond authority in R.S. 33:9038.38; and ad valorem and sales tax authority in**
2 **R.S. 33:9038.39.**

3 **G. The district may pledge any taxes collected under the authority of this**
4 **Section to any economic development project in furtherance of the purposes of**
5 **the district. Such financing may include, but shall not be limited to loans,**
6 **mortgages, the issuance of bonds, or the issuance of certificates of indebtedness.**

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

11 **I. Liberal construction. This Section, being necessary for the welfare of**
12 **the city-parish and its residents, shall be liberally construed to effect the**
13 **purposes thereof.**

14 Section 2. This Act shall become effective on July 1, 2010; if vetoed by the governor
15 and subsequently approved by the legislature, this Act shall become effective on July 1,
16 2010, or on the day following such approval by the legislature, whichever is later.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Riley Boudreaux.

DIGEST

Present law authorizes entities defined as "local governmental subdivisions" to implement ad valorem tax and sales tax increment financing and to issue revenue bonds backed by a pledge of the tax increments to finance all or any part of an "economic development project." "Economic development project" is defined as, without limitation, any and all projects suitable to any industry determined by the "local governmental subdivision" including public works and infrastructure and projects to assist the following industries:

- (1) Industrial, manufacturing, and other related industries.
- (2) Housing and related industries.
- (3) Hotel, motel, conference facilities, and related industries.
- (4) Commercial, retail, and related industries.
- (5) Amusement, places of entertainment, theme parks, and any other tourism-related industry.
- (6) Transportation-related industries.

- (7) Hospital, medical, health, nursery care, nursing care, clinical, ambulance, laboratory, and related industries.
- (8) Any other industry determined by the "local governmental subdivision" whose assistance will result in economic development.

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 such "local governmental subdivisions" to levy an ad valorem tax of up to 5 mills and a two percent sales tax after the governing authority of the district gives notice and meets in open and public session to hear any objections and the favorable vote of a majority of the electors of the district voting in an election.

Proposed law creates the Thomas H. Delpit Area Special District and provides that the district's boundaries shall encompass the following area:

West on Terrace Street from Braddock Street to Napoleon Street; then south on Napoleon Street to E. Harrison Street; then east on E. Harrison Street to Georgia Street; then north on Georgia Street to Braddock Street; then north on Braddock Street to Terrace Street.

Proposed law provides that the district is created to provide for cooperative economic development between the district, the city of Baton Rouge, and the owner or owners of businesses, residences, and other property within the district in order to provide for housing, renovation, restoration, and development within the district.

Proposed law grants to the district all the ad valorem, sales tax, and occupancy tax increment finance and bonding authority, and the ad valorem and sales tax levy authority granted to "local governmental subdivisions" as described in present law.

Proposed law provides that the district may also pledge any taxes collected under the authority of this Section to any economic development project in furtherance of the purposes of the district. Such financing may include, but shall not be limited to loans, mortgages, the issuance of bonds, or the issuance of certificates of indebtedness.

Proposed law provides for the district to be administered and governed by a board of commissioners of four people as follows:

- (1) The mayor-president of East Baton Rouge or his designee.
- (2) One member appointed by the city-parish metro council.
- (3) One member appointed by the Senator representing the district.
- (4) One member appointed by the member of the House of Representatives representing the district.

Proposed law requires the district to cease to exist one year after the earlier of the date all indebtedness of the district is paid in full as to both principal and interest; however, the district must exist three years.

The proposed law must be liberally construed to effect its purposes.

Effective July 1, 2010.

(Amends R.S. 33:9038.31(3); adds R.S. 33:9038.43)