

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

ECONOMIC DEVELOPMENT ZONE. Extends the La. Enterprise Zone Act to include transit-oriented multifamily developments.

DIGEST

Present law creates the La. Enterprise Zone Act.

Proposed law requires all of the tax credits, rebates, exemptions, or other tax benefits in the Enterprise Zone Act to cease to be effective if the secretary of the Department of Revenue does not receive written certification before September 1, 2011 from both the Division of Administration and the Legislative Fiscal Office that the tax credits, rebates, exemptions, or other tax benefits have achieved "revenue neutrality". Defines "revenue neutrality" as a "reasonable estimation" by the DOA and the LFO that the cost to the state of the tax benefits provided to taxpayers by the Enterprise Zone Act are likely to be offset by the economic impact on the state because of the tax benefits provided by that Act.

Proposed law defines "transit-oriented development" as a mixed-use development, consisting of at least 50% multifamily residential housing and at least 30% commercial or retail facilities, on a single contiguous site, all or part of which is located within 1/4 mile of a multimodal transit center, with at least \$10,000,000 in capital expenditures for new construction or conversion of existing structures.

Proposed law defines "multimodal transit center" as a public transit stop or exchange that includes not less than three modes of public transportation including bus, streetcar, rail, ferry, or water taxi.

Proposed law defines "multifamily residential housing" as a minimum of 90 and a maximum of 175 attached dwelling units providing complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation.

Proposed law provides that a transit-oriented development shall be eligible to enter into a contract for the rebate of sales and use tax imposed by the state and its political subdivisions or a refundable investment income tax credit only if all of the following conditions are met:

- (1) Advance notification for the development is filed with the Dept. of Economic Development after June 30, 2011, and before Jan. 1, 2012.
- (2) Construction of the development begins no later than 180 days after the project beginning date stated on the advance notification.
- (3) The development and the business applying for enterprise zone incentives meet all other requirements of the Enterprise Zone Program.

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

(Adds R.S. 51:1783(10)-(12) and 1787(C))

Summary of Amendments Adopted by House

House Floor Amendments to the engrossed bill.

- 1. Made technical corrections.

2. Defined "multifamily residential housing" as a minimum of 90 and a maximum of 175 attached dwelling units providing complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation.
3. Specified that a "transit-oriented development" is a mixed-use development, consisting of at least 50% multifamily residential housing and at least 30% commercial or retail facilities, on a single contiguous site, all or part of which is located within 1/4 mile of a multimodal transit center, with at least \$10,000,000 in capital expenditures for new construction or conversion of existing structures.
4. Deleted the proposed criteria for eligibility for enterprise zone benefits for a transit-oriented development.
5. Added a provision that a transit-oriented development shall be eligible to enter into a contract for the rebate of sales and use tax imposed by the state and its political subdivisions or a refundable investment income tax credit if advance notification for the development is filed with the Dept. of Economic Development after June 30, 2011, and before Jan. 1, 2012, construction of the development begins no later than 180 days after the project beginning date stated on the advance notification, and the development and the business applying for enterprise zone incentives meet all other requirements of the Enterprise Zone Program.
6. Provided that the Act is effective upon signature of governor or lapse of time for gubernatorial action.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the reengrossed bill.

1. Requires a certificate of "revenue neutrality" in order for the benefits in the Enterprise Zone Act to continue to be effective.