
DIGEST

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HB 429 Engrossed

2019 Regular Session

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Abstract: Authorizes parishes and municipalities in which public postsecondary education institutions are located to create special districts to provide for cooperative economic development among the institution, parish or municipality, and other entities.

Proposed law authorizes the governing authority of a parish or municipality in which a public postsecondary education institution, a "college", is located to create an economic development district that includes property owned by the college. The purpose of such a district is to provide for cooperative economic and community development among the district, the college, the parish or municipal governing authority, the state, and the owners of property in the district. The parish or municipal governing authority shall establish the boundaries of a district in the ordinance creating it; such boundaries may be changed and are not required to be contiguous.

Proposed law prohibits a municipal governing authority from creating a district that includes unincorporated areas of a parish without the written consent of the parish governing authority, and prohibits a parish governing authority from creating a district that includes areas in a municipality without written consent of the municipal governing authority.

Proposed law provides that such a district is governed by a board of commissioners, comprised as follows:

- (1) The highest executive officer of the college appoints four persons.
- (2) The member of the parish or municipal governing authority whose district includes the official physical address of the college appoints one person.
- (3) The member of the La. House of Representatives whose district includes the official physical address of the college appoints one person.
- (4) The member of the La. Senate whose district includes the official physical address of the college appoints one person.

Proposed law provides that commissioners serve five-year terms, with vacancies filled in the manner of the original appointment. However, if an appointment to fill a vacancy is not made within 60 days, the board shall appoint an interim successor to serve until the position is filled by the appointing authority. Authorizes removal of a commissioner for cause by a 3/4ths vote of the board. Provides that commissioners serve without compensation but authorizes reimbursement of expenses.

Proposed law provides that the official journal of such a district is the official journal of the parish where the domicile of the board is located. Provides that a district created pursuant to proposed law is a political subdivision of the state and has the powers of a political subdivision. Provides that such powers include the power:

- (1) To develop public improvement projects for the benefit of the respective college, either directly with the respective college or through one or more private foundations or nonprofit corporations affiliated with the respective college, or both.
- (2) To exercise the powers granted to an economic development district established pursuant to present law. (Present law authorizes such a district to utilize tax increment financing. Further authorizes a district to levy ad valorem taxes up to five mills, sales taxes up to 2%, and hotel occupancy taxes up to 2%, all subject to voter approval unless there are no voters in the district.)
- (3) To exercise the powers granted to a community development district established pursuant present law. (Present law authorizes such a district to finance, construct, and operate various public facilities and authorizes the levy of special property assessments, based on proportionate benefit from the facility, to fund such activities.)

Proposed law provides procedures for the levy of any tax or assessment, including a requirement for voter approval unless there are no voters in the district. If a district is expanded to include an area where qualified electors reside, proposed law prohibits collection of a tax in the added area unless the qualified electors of that added area approve the tax.

Proposed law authorizes such a district to create subdistricts which are governed by the board of commissioners and have the same powers as the district.

Proposed law authorizes the district to issue bonds and to otherwise incur debt. Provides requirements and procedures therefor.

Proposed law provides that such a district shall dissolve and cease to exist upon the later to occur of either one year after the date on which all debt of the district is paid in full or 50 years from the creation of the district.

(Adds R.S. 33:9038.72)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Municipal, Parochial and Cultural Affairs to the original bill:

1. Authorize municipalities to create the economic development districts provided for by proposed law.

2. Add requirement for parish approval if a municipal district includes unincorporated area and for municipal approval if a parish district includes incorporated area.
3. Provide that boundaries of districts are not required to be contiguous.
4. Remove authority for a district to acquire property by means other than gift, grant, or purchase or to hold and use any franchise or property.
5. Provide that improvement projects which a district may develop include those that benefit the college indirectly through an affiliated nonprofit corporation.
6. Add prohibition on the collection of taxes in an area added to a district unless approved by the voters in the added area.
7. Authorize, rather than require, inclusion of the board's seal on obligations of the district.