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 DIGEST
 

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SB 70 Reengrossed

2023 Regular Session

Fields

Proposed law provides for the creation of an economic development district that includes property owned by SU and LSU. The purpose of such a district is to provide for cooperative economic and community development among the district, the colleges, 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 provides that such a district is governed by a board of commissioners, comprised as follows:

- (1) The highest executive officer of the college.
- (2) Four persons appointed by the highest executive officer of the college.

Proposed law provides that two of the members of the board shall be representatives from business within the district.

Proposed law provides that commissioners serve five-year terms, with vacancies filled in the manner of the original appointment. Provides that the president shall serve as long as he is president of the university. Two members shall serve an initial term of two years, and two members shall serve an initial term of three years, as determined by lot at the first meeting of the board. 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 3/4 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 to 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. Requires the district to hold any election regarding the levy of taxes or assessments on a date provided for in present law relative to gubernatorial or congressional elections (R.S. 18:402(A)(1) or (B)(1)). 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 prohibits the district from levying or assessing any property tax or fee on property that is owned, used, or operated as an exempt entity. Defines "exempt entity" to include entities engaged in industrial activities. Additionally provides a definition for "industrial activities".

Proposed law provides that district and any subdistrict may be the recipient of a sales or use tax increment which consist of that portion of the designated incremental sales or use tax collected each year on the sale at retail, the use, the lease or rental, the consumption and storage for use or consumption of tangible personal property, and on sales of services.

Proposed law provides that the sales or use tax increment may include hotel occupancy taxes, occupancy taxes, or similar taxes, or any combination of such taxes, levied upon the use or occupancy of hotel rooms if so designated by the city of Baton Rouge, parish of East Baton Rouge as the tax recipient entity, from taxpayers located within a district and subdistrict which exceeds the designated sales or use tax revenues and hotel occupancy taxes, occupancy taxes, or similar taxes so designated that were collected in the year immediately prior to the year in which the college economic development district and any subdistrict was established.

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.

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

(Adds R.S. 33:9038.75)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Local and Municipal Affairs to the original bill

1. Removes that authority of a local governing authority to create the districts and instead creates the districts legislatively.
2. Changes the boundaries of the cooperative economic districts.
3. Changes the board of commissioners of the cooperative economic districts.

Senate Floor Amendments to engrossed bill

1. Makes changes to the boundaries of the Southern University Economic Development District.
2. Removes the requirement that one of the board members for the Southern University Economic Development District be a business representative from the largest commercial landowner within the district.
3. Prohibits any new taxes on business classified as industrial in the districts.

4. Provides that each college economic development district and any subdistrict created by such college district may be the recipient of a sales or use tax increment.

Summary of Amendments Adopted by House

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

1. Remove provisions that prohibited the district from levying taxes, assessments, or fees on property operated for industrial use and instead prohibits the district from levying or assessing any property tax or fee on property that is operated as an exempt entity. Removes reference to industrial uses and instead provides a definition of "industrial activities". Define "exempt entity".
2. Require the district to hold any election regarding the levy of taxes or assessments on a date provided for in present law relative to gubernatorial or congressional primary elections (R.S. 18:402(A)(1) or (B)(1)).