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## DIGEST

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HB 335 Reengrossed

2023 Regular Session

Wilford Carter

**Abstract:** Creates the North Lake Charles Economic Development District.

Proposed law creates the North Lake Charles Economic Development District as a political subdivision of the state. Provides for district boundaries.

Proposed law specifies the composition and powers of the board responsible for managing the affairs of the district. Provides that a five-member board shall be appointed as follows:

- (1) One member appointed by the Lake Charles City Council.
- (2) One member appointed by the state representative for the House of Representatives district which encompasses all or the greater portion of the area of the district.
- (3) One member appointed by the state senator for the Senate district which encompasses all or the greater portion of the area of the district.
- (4) One member appointed by the governing authority of Calcasieu Parish from a list of three names submitted jointly by the members of the governing authority who represent Dist. Nos. 2, 3, 4, and 9.
- (5) One member appointed by the mayor of the city of Lake Charles.

Provides that members serve three-year staggered terms.

Proposed law requires the board to prepare a plan(s) specifying public improvements, facilities, and services proposed to be furnished, constructed, or acquired which shall be improvements, facilities, and services provided by the city through its agencies, commissions, and instrumentalities, subject to the approval of the Lake Charles City Council.

Proposed law requires the board to conduct hearings and disseminate information as it deems appropriate or advisable. Provides that any plan developed by the board shall include an estimate of the annual and total cost of acquiring, constructing, or providing the services, improvements, or facilities.

Proposed law requires that the board submit the plan to the city planning commission which shall review it for consistency with the comprehensive plan for the city. Requires that the planning

commission submit a written opinion on the plan to the city council. Requires that the city council, within 30 days of receipt, submit a written report to the board as to whether the city council has approved the plan. Prohibits the board from proceeding with any plan that fails to receive the approval of the city council. Additionally prohibits the board from making any expenditures pursuant to a budget that has not been approved by the city council.

Proposed law further provides for development of a plan regarding the employment of professional consultations, experts, and advisors. Requires that the services of the district be undertaken through the city's departments and agencies. Authorizes the board to submit the plan directly to the city council. Requires that the council, within 30 days of receipt, submit a written report to the board as to whether the council has approved the plan. Prohibits the board from proceeding with any plan that fails to receive the approval of the city council.

Proposed law provides relative to the powers and duties of the district, including but not limited to the following:

- (1) To sue and be sued.
- (2) To adopt, use, and alter at will a corporate seal.
- (3) To acquire by gift, grant, purchase, or lease, all property, including servitudes or rights of way.
- (4) To receive by gift, grant, or donation, any sum of money, or property, aid, or assistance from the U.S., the state of La., or any political subdivision thereof, or any person, firm, or corporation.
- (5) To enter into contracts for the purchase, acquisition, construction, maintenance, and improvement of works and facilities necessary in connection with the purposes of the district.
- (6) To regulate the imposition of fees and rentals charged by the district for its facilities and for services rendered by it.
- (7) To appoint officers, agents, and employees, prescribe their duties, and fix their compensation.

Proposed law provides that the district shall not have any power of expropriation.

Proposed law authorizes the district to levy a sales and use tax, subject to voter approval, and subject to the approval of the Lake Charles City Council. Requires the district to hold any election regarding the levy of the tax on a date provided for in present law relative to gubernatorial or congressional primary elections (R.S. 18:402(A)(1) or (B)(1)). Provides that the tax rate shall not to exceed 1%.

Proposed law specifically empowers the district to issue revenue bonds payable from an irrevocable pledge and dedication of up to the full amount of "tax increments" available to an economic

development district as provided in proposed law and present law (Part II of Chapter 27 of Title 33) which is derived from any project or projects of the district. Prohibits the use of tax increments without the consent of the particular local governmental subdivision or tax recipient body and without the approval of a majority of the qualified electors of the city of Lake Charles voting in an election conducted in accordance with the general election laws. Requires the district to hold any election regarding the levy of the use tax increments on a date provided for in present law relative to gubernatorial or congressional primary elections (R.S. 18:402(A)(1) or (B)(1)).

Proposed law specifies that a "tax increment" consists of that portion of any tax, excluding a hotel occupancy tax, levied within the district by a local governmental subdivision or other tax recipient body determined and pledged in the manner provided for in present law (Part II of Chapter 27 of Title 33). Provides that if the proceeds of any tax have been expressly dedicated to another purpose set forth in a proposition approved by the electorate of the local governmental subdivision or other tax recipient body, then the tax proceeds shall not be used as a tax increment until a proposition which authorizes such use is submitted to and approved by the electorate.

(Adds R.S. 33:2740.70.3)

#### 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 the district to levy a hotel occupancy tax on developments constructed after Aug. 1, 2023, subject to voter approval, and the approval of the Lake Charles City Council. Add requirement that tax funds be pledged to and used to pay revenue bonds issued by the district and for other financing purposes.
2. Add provisions to provide that a "tax increment" also consists of any portion of a hotel occupancy tax levied by the district, and other local governmental subdivisions or other tax recipient bodies on developments constructed after Aug. 1, 2023.

The House Floor Amendments to the engrossed bill:

1. Reduce the membership of the board from seven to five by removing appointments granted to the La. Chamber of Commerce Foundation and the Chamber of Commerce Southwest La.
2. Remove appointment granted to specified members of the governing authority of Calcasieu Parish and instead grants the appointment to the governing authority as a whole which shall appoint one member from nominations submitted jointly by the specified members.
3. Require that the services and capital improvements furnished to the district through the city and its agencies, commissions, and instrumentalities be approved by the Lake

Charles City Council.

4. Remove provisions that require the city council to only review but not approve a plan submitted to the council and instead prohibit the board from proceeding with any plan without the approval of the council.
5. Prohibit the board from expending any funds pursuant to a budget that has not been approved by the city council.
6. Remove language "or otherwise" regarding the methods by which the district may acquire or receive property, money, or other assistance. Provide that the district has no expropriation power.
7. Remove the district's authority to require and issue licenses with respect to its properties and facilities.
8. Require the district to hold any election regarding the levy of a sales and use tax or the use of tax increments on a date provided for in present law relative to gubernatorial or congressional primary elections (R.S. 18:402(A)(1) or (B)(1)).
9. Remove the district's authority to levy a hotel occupancy tax and additionally remove the authority granted to the district to receive tax increments from the levy of hotel occupancy taxes.