

2026 Regular Session

SENATE BILL NO. 374

BY SENATOR CATHEY

UNIVERSITY LA SYSTEM. Provides for uniform procedure for the creation of college economic development districts for the University of Louisiana System in any municipality or parish. (gov sig)

1 AN ACT

2 To enact Chapter 51 of Title 33 of the Louisiana Revised Statutes of 1950, to be comprised

3 of R.S. 33:9731, relative to statewide college economic development districts; to

4 provide relative to cooperative economic development in and around universities in

5 the state; to provide for the creation of special taxing districts; to provide relative to

6 promulgation of rules and regulations by the district; to provide for the governance

7 and powers and duties of the district, including the authority to levy taxes and special

8 assessments; to authorize the district to incur debt and to pledge tax increments

9 repayment thereof; to provide relative to sales and use tax increment; to provide for

10 terms and definitions; to provide for procedure and requirements; to provide for term

11 of existence of the district; to provide for an effective date; and to provide for related

12 matters.

13 Be it enacted by the Legislature of Louisiana:

14 Section 1. Chapter 51 of Title 33 of the Louisiana Revised Statutes of 1950,
15 comprised of R.S. 33:9731, is hereby enacted to read as follows:

16 **CHAPTER 51. STATEWIDE COLLEGE ECONOMIC DEVELOPMENT**

17 **DISTRICT IMPLEMENTATION PROCEDURE**

1 of Louisiana.

2 (2) The boundaries of a district shall be coterminous with the boundaries
3 of one or more subdivisions within a parish as established in an official
4 subdivision plat filed with the clerk of court for the parish and shall not include
5 any residential property.

6 D.(1) A college economic development district shall be administered and
7 governed by a board of commissioners, referred to in this Section as the
8 "board".

9 (2) The board shall be comprised as follows:

10 (a) The highest executive officer of the college shall appoint four persons
11 and shall serve as a member of the board and chairman of the board as long as
12 he is the highest executive officer of the university.

13 (b) Two of the members of the board shall be representatives from
14 businesses within the district.

15 (3) Members shall serve five-year terms after initial terms as provided
16 by the ordinance creating the district. The president shall serve as long as he is
17 president of the university. Two members shall serve an initial term of two
18 years, and two members shall serve an initial term of three years, as determined
19 by lot at the first meeting of the board. Each member of the board shall
20 continue to serve until reappointed or a successor is duly appointed. Any
21 vacancy in the membership of the board shall be filled in the manner of the
22 original appointment for the unexpired term. If an appointment to fill a vacancy
23 is not made within sixty days, the board shall appoint an interim successor to
24 serve until the position is filled by the appointing authority.

25 (4) Any member of the board may be removed by a three-fourths vote
26 of the remaining membership of the board for cause, which may include failure
27 to attend at least one-half of the meetings of the board in a two-year period.

28 (5) The members of the board shall serve without salary or per diem.
29 The board may reimburse any member for reasonable, actual, and necessary

1 expenses incurred in the performance of his duties pursuant to this Section.

2 (6) The board shall elect from its members a president, a vice president,
3 a secretary, and a treasurer, whose duties shall be those common to these
4 offices. At the option of the board, the offices of secretary and treasurer may be
5 held by one person.

6 (7) The board shall meet in regular session at least once per year and
7 shall also meet in special session as often as the president of the board convenes
8 the board or upon the written request of at least three members. A majority of
9 the members of the board shall constitute a quorum for the transaction of
10 business. The board shall keep minutes of all meetings and shall make them
11 available for inspection through the board's secretary or secretary-treasurer,
12 who shall also maintain the minute books and archives of the district. The
13 monies, funds, and accounts of the district shall be in the official custody of the
14 board.

15 (8) The domicile of the board shall be established by the board at a
16 location within the district. The official journal of the district is the official
17 journal of the parish where the domicile of the board is located.

18 E. A college economic development district, acting by and through its
19 board, shall have and exercise all powers of a political subdivision necessary or
20 convenient for the carrying out of its objects and purposes, including but not
21 limited to the following:

22 (1) To sue and to be sued.

23 (2) To adopt, use, and alter at will a corporate seal.

24 (3) To acquire by gift, grant, or purchase all property, including rights-
25 of-way, movable, immovable, or mixed, corporeal or incorporeal, or any interest
26 therein.

27 (4) To enter into contracts for the purchase, acquisition, construction,
28 and improvement of works and facilities necessary in connection with the
29 purposes of the district.

1 **(5) In the name, and on behalf of the district to incur debt and to issue**
2 **revenue bonds, special assessment bonds, certificates, notes, and other evidences**
3 **of indebtedness and to levy and cause to be collected certain taxes as provided**
4 **for in this Section and as may be provided by general law.**

5 **(6) To regulate the imposition of fees and rentals charged by the district**
6 **for the facilities and services rendered.**

7 **(7) To borrow money and pledge all or part of its revenues, leases, rents,**
8 **or other advantages as security for the loans.**

9 **(8) To appoint officers, agents, and employees, prescribe duties, and fix**
10 **compensation.**

11 **(9) To develop public improvement projects for the benefit of the**
12 **respective college, either directly with the respective college or through one or**
13 **more private foundations or nonprofit corporations affiliated with the**
14 **respective college, or both.**

15 **(10) To exercise any and all of the powers granted to a college economic**
16 **development district as an economic development district established pursuant**
17 **to Part II of this Chapter, including but not limited to the powers of tax**
18 **increment financing pursuant to R.S. 33:9038.33 and 9038.34 and the power to**
19 **levy taxes within the district pursuant to R.S. 33:9038.39. The district shall**
20 **exercise the powers in accordance with the provisions of Part II of this Chapter.**

21 **(11) To exercise any and all of the powers granted to a community**
22 **development district as a community development district established pursuant**
23 **to Chapter 27-B of this Title, including but not limited to the power to levy**
24 **special assessments on property within the district pursuant to R.S. 33:9039.29.**
25 **The district shall exercise the powers in accordance with the provisions of**
26 **Chapter 27-B of this Title.**

27 **F.(1) It is expressly provided that any sales and use tax levied by a college**
28 **economic development district or any subdistrict created by the district may**
29 **exceed the limitation set forth by Article VI, Section 29(A) of the Constitution**

1 of Louisiana and shall be imposed, collected, and enforced subject to the terms
2 of the resolution imposing the tax and the provisions of Chapter 2 of Subtitle II
3 of Title 47 of the Louisiana Revised Statutes of 1950.

4 (2)(a) A college economic development district and any subdistrict
5 created by the district may levy taxes or assessments of any type only after the
6 board has adopted an appropriate resolution giving notice of its intention to
7 levy the taxes or assessments. The resolution shall include a general description
8 of the taxes or assessments to be levied. The district or subdistrict shall give
9 notice of its intention by publication once per week for two weeks in the official
10 journal of the district, the first publication to appear at least fourteen days
11 before the public meeting of the board at which the board shall hear any
12 objections to the proposed taxes or assessments. The notice of intent so
13 published shall state the date, time, and place of the public hearing.

14 (b) The taxes or assessments may be levied only after the board calls a
15 special election submitting the proposition for the levy of the taxes or
16 assessments to the qualified electors of the district or subdistrict, as applicable,
17 and the proposition received the favorable vote of a majority of the electors
18 voting in the election. Any election held pursuant to this Section shall be
19 conducted in accordance with the Louisiana Election Code and held on a date
20 that corresponds with an election date provided by R.S. 18:402(A)(1) or (B)(1).
21 However, if there are no qualified electors in the district or subdistrict, as
22 applicable, as certified by the registrar of voters, no election is required, but the
23 taxes or assessments shall not be levied unless approved by the governing
24 authority of the local governmental subdivision.

25 (c) The powers and rights conferred by this Paragraph shall be in
26 addition to the powers and rights conferred by any other general or special law.
27 This Paragraph shall be construed to provide a complete and additional method
28 for the levy of any taxes or assessments. No election, proceeding, notice, or
29 approval shall be required for the levy of the taxes or assessments except as

1 provided for in this Paragraph.

2 G.(1) A college economic development district may create subdistricts as
3 provided for in this Subsection. The district shall publish notice of its intent to
4 create a subdistrict in the official journal of the district. At least ten days after
5 publication of the notice, the board shall conduct a public hearing on the
6 question of creating the subdistrict. Thereafter, the board may designate one or
7 more areas within the boundaries of the district as subdistricts of the district.
8 Each subdistrict shall constitute a political subdivision of the state and shall be
9 governed by the board. Each subdistrict shall have the same powers as the
10 district and shall be given a suitable name as the board may designate. A
11 reference to the district hereafter in this Section includes any subdistrict created
12 by the district.

13 (2) The boundaries of a district may be changed in accordance with
14 provisions of this Section dealing with the establishment of the original
15 boundaries. If a district is expanded to include an area where qualified electors
16 reside, no tax shall be collected in the added area unless the qualified electors
17 of that added area approve the tax in accordance with Subparagraph (F)(2)(b)
18 of this Section.

19 H.(1) The district may issue and sell from time to time bonds, notes,
20 renewal notes, refunding bonds, interim certificates, certificates of indebtedness,
21 certificates of participation, debentures, warrants, commercial paper, or other
22 obligations or evidence of indebtedness to provide funds for and to fulfill and
23 achieve its public purpose or corporate purposes, as set forth in this Section,
24 including but not limited to the payment of all or a portion of the costs of a
25 project, to provide amounts necessary for any corporate purposes, including
26 necessary and incidental expenses in connection with the issuance of the
27 obligations, the payment of principal and interest on the obligations of the
28 district, the establishment of reserves to secure the obligations, and all other
29 purposes and expenditures of the district incident to and necessary or

1 convenient to carry out its public functions or corporate purposes, and any
2 credit enhancement for the obligations.

3 (2) Except as may otherwise be provided by the board, all obligations
4 issued by the district shall be negotiable instruments and payable solely from
5 the revenues of the district as determined by the board, or from any other
6 source that may be available to the district but shall not be secured by the full
7 faith and credit of the state or the local governmental subdivision.

8 (3) The obligations shall be authorized, issued, and sold by a resolution
9 or resolutions of the board. The bonds or obligations may be of the series; bear
10 the date or dates; mature at the time or times; bear interest at the rate or rates,
11 including variable, adjustable, or zero interest rates; be payable at the time or
12 times; be in the denominations; be sold at the price or prices, at public or
13 private negotiated sale, after advertisement as is provided for in R.S. 39:1426;
14 be in the form; carry the registration and exchangeability privileges; be payable
15 at the place or places; be subject to the terms of redemption; and be entitled to
16 the priorities on the income, revenue, and receipts of, or available to, the district
17 as may be provided by the board in the resolution or resolutions providing for
18 the issuance and sale of the bonds or obligations of the district.

19 (4) The obligations of the district shall be signed by the officers of the
20 board by either manual or facsimile signatures as shall be determined by
21 resolution or resolutions of the board and may have impressed or imprinted
22 thereon the seal of the district or a facsimile thereof.

23 (5) Any obligations of the district may be validly issued, sold, and
24 delivered, notwithstanding that one or more of the officers of the board signing
25 the obligations, or whose facsimile signature or signatures may be on the
26 obligation shall have ceased to be the officer of the board at the time the
27 obligations have been actually delivered.

28 (6) Obligations of the district may be sold in the manner and from time
29 to time as may be determined by the board to be most beneficial, subject to

1 approval of the State Bond Commission, and the district may pay all expenses,
2 premiums, fees, or commissions which it may deem necessary or advantageous
3 in connection with the issuance and sale thereof.

4 (7) The board may authorize the establishment of a fund or funds for the
5 creation of a debt service reserve, a renewal and replacement reserve, or other
6 funds or reserves as the board may approve with respect to the financing and
7 operation of any project funded with the proceeds of the bonds and as may be
8 authorized by any bond resolution, trust agreement, indenture of trust, or
9 similar instrument or agreement pursuant to the provisions of which the
10 issuance of bonds or other obligations of the district or subdistrict may be
11 authorized.

12 (8) Any cost, obligation, or expense incurred for any of the purposes or
13 powers of the district specified in this Subsection shall be a part of the project
14 costs and may be paid or reimbursed as such out of the proceeds of bonds or
15 other obligations issued by the district; however, no portion of any state sales
16 taxes made directly available to the district pursuant to an agreement with the
17 state shall be used by the district to pay the costs of constructing or operating
18 any privately owned hotel located within the district without the consent of the
19 Joint Legislative Committee on the Budget or its successor.

20 (9) For a period of thirty days from the date of publication of the
21 resolution authorizing the issuance of bonds hereunder, any persons in interest
22 shall have the right to contest the legality of the resolution and the legality of the
23 bond issue for any cause, after which time no one shall have any cause or right
24 of action to contest the legality of the resolution or of the bonds authorized
25 thereby for any cause whatsoever. If no suit, action, or proceeding has begun
26 contesting the validity of the bond issue within thirty days, the authority to issue
27 the bonds and to provide for the payment thereof and the legality thereof and
28 all of the provisions of the resolution authorizing the issuance of the bonds, shall
29 be conclusively presumed, and no court shall have authority to inquire into the

1 matters.

2 (10) Neither the members of the board nor any person executing the
3 bonds shall be personally liable for the bonds or be subject to any personal
4 liability by reason of the issuance thereof. No earnings or assets of the district
5 shall accrue to the benefit of any private persons. However, the limitation of
6 liability provided for in this Paragraph shall not apply to any gross negligence
7 or criminal negligence on the part of any member of the board or person
8 executing the bonds.

9 (11) All obligations authorized to be issued by the district pursuant to the
10 provisions of this Subsection, together with interest thereof, income therefrom,
11 and gain upon the sale thereof shall be exempt from all state and local taxes.

12 (12) The state and all public officers; any parish, municipality, or other
13 subdivision or instrumentality of the state; any political subdivision; any bank,
14 banker, trust company, savings bank and institution, building and loan
15 association, savings and loan association, investment company, or any person
16 carrying on a banking or investment business, any insurance company or
17 business, insurance association, and any person carrying on an insurance
18 business; and any executor, administrator, curator, trustee, and other fiduciary;
19 and any retirement system or pension fund may legally invest any sinking funds
20 monies; or other funds belonging to them or within their control in any bonds
21 or other obligations issued by the district pursuant to the provisions of this
22 Subsection, and the bonds or other obligations shall be authorized security for
23 all public deposits. It is the purpose of this Section to authorize the persons,
24 firms, corporations, associations, political subdivisions and officers, or other
25 entities, public or private, to use any funds owned or controlled by them,
26 including but not limited to sinking, insurance, investment, retirement,
27 compensation, pension, and trust funds, and funds held on deposit, for the
28 purchase of any bonds or other obligations of the district or subdistrict, and
29 that the bonds shall be authorized security for all public deposits. However,

1 nothing contained in this Section with regard to legal investments or security for
2 public deposits shall be construed as relieving any person, firm, corporation, or
3 other entity from any duty of exercising reasonable care in selecting securities.

4 I.(1) Notwithstanding any provision of this Section, a college economic
5 development district and any subdistrict created by the district shall not levy or
6 assess any property tax or fee on any property within the district or subdistrict
7 that is owned, used, or operated by an exempt entity as defined in this
8 Subsection, and no exempt entity shall be subject to any sales or use tax levied
9 or assessed by a district or subdistrict. An exempt entity shall be issued a
10 certificate of exclusion from the district or subdistrict certifying that the entity
11 is engaged in industrial activities as defined in this Subsection and excluded
12 from a sales or use tax levied by the district or subdistrict. The district or
13 subdistrict shall adopt rules and regulations for the implementation and
14 issuance of certificates of exclusion.

15 (2) For purposes of this Subsection, "exempt entity" means any entity
16 engaged or any entity contractually affiliated with any entity engaged in
17 industrial activities within a district or subdistrict.

18 (3) For purposes of this Subsection, "industrial activities" means
19 manufacturing, refining, fabricating, constructing, assembling, processing,
20 treating, power generation, storage or wholesale distribution of products,
21 commodity, goods, materials, or articles, or procurement or service providers
22 for these activities, including by way of illustration but without limitation:

23 (a) The processing of raw materials or substances.

24 (b) The making, manufacturing, or assembling of semi-finished or
25 finished goods, products, or equipment.

26 (c) The cleaning, servicing, repairing, or testing of materials, goods, and
27 equipment normally associated with industrial businesses or cleaning, servicing,
28 and repair operations to goods and equipment, where the operations have
29 impacts that would make them incompatible in nonindustrial property or areas.

1 (d) The storage or transshipping of materials, products, goods, and
2 equipment.

3 (e) The distribution and sale of materials, products, goods, and
4 equipment to institutions or industrial and commercial businesses for their
5 direct use or to stores for resale to individual customers.

6 (f) The training of personnel in general industrial operations.

7 J.(1) Each college economic development district and any subdistrict
8 created by the college district may be the recipient of a sales or use tax
9 increment which consists of that portion of the designated incremental sales or
10 use tax collected each year on the sale at retail, the use, the lease or rental, the
11 consumption and storage for use or consumption of tangible personal property,
12 and on sales of services, all as defined in R.S. 47:301 et seq., or any other
13 appropriate provision or provisions of law as amended.

14 (2) The sales or use tax increment may include hotel occupancy taxes,
15 occupancy taxes, or similar taxes, or any combination of these taxes, levied upon
16 the use or occupancy of hotel rooms if so designated by the governing authority
17 of the district as the tax recipient entity, from taxpayers located within a college
18 economic development district and subdistrict which exceeds the designated
19 sales or use tax revenues and hotel occupancy taxes, occupancy taxes, or similar
20 taxes so designated that were collected in the year immediately prior to the year
21 in which the college economic development district and any subdistrict was
22 established.

23 K. A college economic development district shall dissolve and cease to
24 exist upon the later to occur of either one year after the date on which all loans,
25 bonds, notes, and other evidences of indebtedness of the district, including
26 refunding bonds, are paid in full as to both principal and interest or fifty years
27 from the creation of the district.

28 L. This Section, being necessary for the welfare of the state, the parish,
29 and its residents, shall be liberally construed to effect the purposes thereof.

Proposed law provides for the following powers:

- (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 a college economic development district established pursuant to present law (R.S. 33:9038.33 and 9038.34). Present law authorizes the district to utilize increment financing. Further authorizes a district to levy ad valorem taxes up to five mills, sales taxes up to two percent, and hotel occupancy taxes up to two percent, 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 (R.S. 33:9038.29).

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 the district to create subdistricts which are governed by the board of commissioners and have the same powers as the district.

Proposed law provides that each college economic development district and any subdistrict created by the college district, and the governing board of commissioners for the district and subdistrict shall not have any power, authority or right to levy taxes, assessment or fees of any type or form on any property in any area within the district or subdistrict that is used or operated now or in the future for any industrial use, as defined in proposed law. Proposed law defines "exempt entity" and "industrial activities".

Proposed law provides that each college economic development district and any subdistrict created by the college district 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 governing authority of the district as the tax recipient entity, from taxpayers located within a college economic development 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 the 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. 33:9731)