

2026 Regular Session

SENATE BILL NO. 374

BY SENATOR CATHEY

SPECIAL DISTRICTS. Provides for uniform procedure for the creation of college economic development districts for any college or university 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 one or more subdivisions within a parish as established in an official
2 subdivision plat filed with the clerk of court for the parish and shall not include
3 any residential property.

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

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

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

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

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

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

26 (5) The members of the board shall serve without salary or per diem.
27 The board may reimburse any member for reasonable, actual, and necessary
28 expenses incurred in the performance of his duties pursuant to this Section.

29 (6) The board shall elect from its members a president, a vice president,

1 a secretary, and a treasurer, whose duties shall be those common to these
2 offices. At the option of the board, the offices of secretary and treasurer may be
3 held by one person.

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

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

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

20 (1) To sue and to be sued.

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

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

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

28 (5) In the name of and on behalf of the district, to incur debt and to issue
29 revenue bonds, special assessment bonds, certificates, notes, and other evidences

1 of indebtedness and to levy and cause to be collected certain taxes as provided
2 for in this Section and as may be provided by general law.

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

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

7 (8) To appoint officers, agents, and employees, prescribe duties, and fix
8 compensation.

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

13 (10) To exercise any and all of the powers granted to a college economic
14 development district as an economic development district established pursuant
15 to Part II of Chapter 27 of this Title, including but not limited to the powers of
16 tax increment financing pursuant to R.S. 33:9038.33 and 9038.34 and the power
17 to levy taxes within the district pursuant to R.S. 33:9038.39. The district shall
18 exercise the powers in accordance with the provisions of Part II of Chapter 27
19 of this Title.

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

26 F.(1) It is expressly provided that any sales and use tax levied by a college
27 economic development district or any subdistrict created by the district may
28 exceed the limitation set forth by Article VI, Section 29(A) of the Constitution
29 of Louisiana and shall be imposed, collected, and enforced subject to the terms

1 of the resolution imposing the tax and the provisions of Chapter 2 of Subtitle II
2 of Title 47 of the Louisiana Revised Statutes of 1950.

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

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

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

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

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

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

1 credit enhancement for the obligations.

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

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

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

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

27 (6) Obligations of the district may be sold in the manner and from time
28 to time as may be determined by the board to be most beneficial, subject to
29 approval of the State Bond Commission, and the district may pay all expenses,

1 premiums, fees, or commissions which it may deem necessary or advantageous
2 in connection with the issuance and sale thereof.

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

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

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

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

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

11 (12) The state and all public officers; any parish, municipality, or other
12 subdivision or instrumentality of the state; any political subdivision; any bank,
13 banker, trust company, savings bank and institution, building and loan
14 association, savings and loan association, investment company, or any person
15 carrying on a banking or investment business; any insurance company or
16 business, insurance association, and any person carrying on an insurance
17 business; and any executor, administrator, curator, trustee, and other fiduciary;
18 and any retirement system or pension fund may legally invest any sinking funds,
19 monies, or other funds belonging to them or within their control in any bonds
20 or other obligations issued by the district pursuant to the provisions of this
21 Subsection, and the bonds or other obligations shall be authorized security for
22 all public deposits. It is the purpose of this Section to authorize the persons,
23 firms, corporations, associations, political subdivisions and officers, or other
24 entities, public or private, to use any funds owned or controlled by them,
25 including but not limited to sinking, insurance, investment, retirement,
26 compensation, pension, and trust funds, and funds held on deposit, for the
27 purchase of any bonds or other obligations of the district or subdistrict, and
28 that the bonds shall be authorized security for all public deposits. However,
29 nothing contained in this Section with regard to legal investments or security for

1 public deposits shall be construed as relieving any person, firm, corporation, or
2 other entity from any duty of exercising reasonable care in selecting securities.

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

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

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

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

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

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

29 (d) The storage or transshipping of materials, products, goods, and

1 equipment.

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

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

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

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

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

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

29 Section 2. This Act shall become effective upon signature by the governor or, if not

1 signed by the governor, upon expiration of the time for bills to become law without signature
 2 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 3 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 4 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

DIGEST

SB 374 Reengrossed

2026 Regular Session

Cathey

Proposed law establishes the statewide college economic development district implementation procedure for the creation of college economic development districts for any college or university in any municipality or parish.

Proposed law provides that a college economic and development district, created pursuant to proposed law, shall be created only upon the adoption of an ordinance by the appropriate local governing authority and shall not include any residential property.

Proposed law provides that the purpose of the 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.

Proposed law provides that the parish or municipal governing authority shall establish the boundaries of a district in the ordinance creating it. Provides that the boundaries of the district shall be coterminous with that boundaries of one or more subdivisions within a parish.

Proposed law provides that the district is governed by a board of commissioners and provides for board composition 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. Provides that 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 three-fourths vote of the board. Provides that commissioners serve without compensation but authorizes reimbursement of expenses.

Proposed law provides that the official journal of the 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.

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. Provides that 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)

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Changes the applicability of proposed law from member institutions under the University of Louisiana System to any college or university in the state of Louisiana.
2. Makes technical changes.