

RÉSUMÉ DIGEST

SB 283

2026 Regular Session

Barrow

Present law (R.S. 33:9032) provides that tax increment financing ("TIF") is when a local governmental subdivision issues revenue bonds payable solely from tax increments, in an amount to be determined by the local governmental subdivision to finance or refinance an economic development project or any part thereof or to pay all or a portion of the costs of an economic development project as described in present law (R.S. 33:9035).

Present law (R.S. 33:9038.31) provides that "issuer" means the local governmental subdivision, economic development district, industrial development board of the municipality or parish authorized and created pursuant to present law, a public trust with the municipality or parish as the beneficiary thereof as provided in present law, as authorized in present law, the Walnut Street Special District, any Tax Increment Development Corporation activated in a municipality with a population of not less than 3,300 and not more than 3,395 persons according to the most recent federal decennial census for the purposes provided for in present law (R.S. 33:9038.68), or any district created pursuant to present law (R.S. 33:9038.70 or 9038.77).

Proposed law would have retained present law and included the BLVD at Harding Area Special District in the definition of "issuer".

Present law (R.S. 33:9038.31) provides that "local governmental subdivision" means any municipality or parish or any municipality, parish, local industrial board, a local public trust authorized pursuant to present law (R.S. 33:9038.33(N) or 9038.34(N)) having jurisdiction over the geographical area bounded by the Mississippi River, the Orleans/Jefferson parish line and the Orleans/Plaquemines parish line, the Walnut Street Special District, any Tax Increment Development Corporation activated in a municipality with a population of not less than 3,300 and not more than 3,395 persons according to the most recent federal decennial census for the purposes provided for in present law (R.S. 33:9038.68), or any district created pursuant to present law (R.S. 33:9038.70 or 9038.77). Further provides that the provisions of present law shall not apply to any of the financing of construction, renovations, or improvements of any convention center, hotel complex, and ancillary facilities within the city of Shreveport.

Present law applies to the parish of Rapides, only as provided in present law (R.S. 33:9038.41).

Proposed law would have retained present law and included the BLVD at Harding Area Special District in the definition of "local governmental subdivision".

Proposed law would have created the BLVD at Harding Area Special District in the city of Baton Rouge as a special district and political subdivision of the state to provide for cooperative economic development between the district, the city of Baton Rouge, and the owner or owners of businesses and other property within the district in order to provide for costs related to infrastructure within the district as determined by the board of commissioners of the district.

Proposed law would have provided for the boundaries of the district.

Proposed law would have provided that the district is to be administered by a board of commissioners as follows:

- (1) The mayor of the city of Baton Rouge, or his designee.
- (2) The member of the La. House of Representatives whose district encompasses all or the greater portion of the area of the district shall appoint two persons.
- (3) The member of the La. Senate whose district encompasses all or the greater portion of the area of the district shall appoint two persons.
- (4) The member of the Baton Rouge Metropolitan Council whose district encompasses all or the greater portion of the area of the district shall appoint one person.

- (5) Any person who is an owner of property within the district, or an authorized representative of an entity which is an owner of property within the district, if such person or authorized representative applies to the board for membership on the board, or that person's or representative's designee.

Proposed law would have provided that the members of the board serve without salary or per diem and are entitled to reimbursement for reasonable, actual, and necessary expenses incurred in the performance of their duties.

Proposed law would have provided that the board must elect from its own members a president and secretary, whose duties shall be common to such offices or as may be provided by bylaws adopted by the district. Provides that all meetings are public meetings subject to the provisions of present law (R.S. 42:11 et seq.). Further provides that the domicile of the board must be established by the board at a location within the city of Baton Rouge.

Proposed law would have provided that the district has the rights and powers common to special districts including to incur debt and issue bonds, notes, and other indebtedness in its own name and on its own behalf.

Present law authorizes entities defined as "local governmental subdivisions" to implement ad valorem tax (R.S. 33:9038.33) and sales tax increment financing (R.S. 33: 9038.34) and to issue revenue bonds backed by a pledge of the tax increments to finance all or any part of an "economic development project".

Present law (R.S. 33:9038.35) authorizes "local governmental subdivisions" to enter into a joint venture or cooperative endeavor for a public purpose with a federal, state, or local governmental agency or with a private or public firm, partnership, corporation, or other entity.

Present law (R.S. 33:9038) authorizes the "local governmental subdivisions" to issue revenue bonds and other bonds and forms of indebtedness.

Present law (R.S. 33:9039) authorizes local governmental subdivisions to levy an ad valorem tax of up to five mills and two percent of sales tax after the governing authority of the district gives notice and meets in open and public session to hear any objections and the favorable vote of a majority of the electors of the district voting in an election.

Proposed law would have retained present law.

Proposed law would have provided that the tax increase may be levied only after the governing authority of the district has called a special election submitting the proposition for the levy of such taxes to the qualified electors of the district and the proposition has received the favorable vote of a majority of the electors voting in the election; however, in the event there are no qualified electors in the district as certified by the registrar of voters, no such election shall be required.

Proposed law would have provided defined the BLVD at Harding Area Special District as an issuer and a local governmental subdivision for purposes of utilizing such TIF authority in present law.

Proposed law would have specifically granted to the district all the ad valorem, sales tax, and occupancy tax increment finance and bonding authority, and the ad valorem and sales tax levy authority granted to "local governmental subdivisions", and deems the project to fund infrastructure within the district to be an "economic development project" within the meaning of the TIF laws.

Proposed law would have provided that the district may also pledge any taxes collected under the authority of proposed law to any economic development project in furtherance of the purposes of the district. Proposed law would have further provided that the financing may include but shall not be limited to loans, mortgages, the issuance of bonds, or the issuance of certificates of indebtedness.

Proposed law would have provided that the district shall dissolve and cease to exist one year after the date all indebtedness of the district is paid in full as to both principal and interest, but under no event can the district have an existence of less than three years.

Proposed law would have provided that proposed law shall be liberally construed to effect its purposes.

Proposed law would have created the Baton Rouge Community College Economic Development District ("BRCC EDD"). Proposed law would have further provided that the purpose of the BRCC EDD 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 would have provided for the boundaries of the district.

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

Proposed law would have provided that members 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 college. Proposed law would have further provided that 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.

Proposed law would have provided 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. Further authorizes removal of a commissioner for cause by a 3/4 vote of the board. Proposed law would have further provided that members serve without compensation but authorizes reimbursement of expenses.

Proposed law would have provided that the official journal of the district is the official journal of the parish where the domicile of the board is located.

Proposed law would have provided 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 would have further provided that such powers include the power 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.

Proposed law would have authorized the district to create subdistricts which are governed by the board of commissioners and that have the same powers as the district.

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

Proposed law would have provided that the district shall dissolve and cease to exist one year after the date on which the debt of the district is paid in full, or 50 years from the date of the creation of the district, whichever occurs later.

Would have become effective upon signature of the governor or lapse of time for gubernatorial action.

(Proposed to amend R.S. 33:9038.31(2) and (3); proposed to add R.S. 33:9038.82 and 9038.83)

VETO MESSAGE:

"Please be advised that I have vetoed Senate Bill 283 of the 2026 Regular Session by Senator Regina Barrow. Senate Bill 283 would create two new special taxing districts, the BLVD at Harding Area Special District and Baton Rouge Community College Economic Development District.

The BLVD at Harding Area Special District would be granted broad authority, including tax increment financing and bonding, and the authority to levy ad valorem, sales, and hotel occupancy taxes. These powers, if exercised to their limits, could increase the combined sales tax within the district to as much as twelve and one-half percent (12.5%). Residential property appears to be intentionally excluded from this district; therefore, any taxes imposed would not be subject to voter approval. (*See* R.S. 33:9038.33 "in the event that there are no qualified electors in the district as certified by the registrar of voters, no election shall be required.") Compounding this concern is the fact that the taxing authority of BLVD at Harding Area would be vested in a board made up, primarily, of unelected appointees and "any person who is an owner of property within the district." Senate Bill 283 sets up these two districts in such a manner to all but guarantee that they can impose taxes without voter approval.

The bill is also inconsistent and contradictory regarding the Baton Rouge Community College Economic Development District's boundaries. The district is specifically crafted to exclude all "residential properties." However, the bill provides that exclusion to any land used for residential purposes appears to contain conflicting dates: (1) the effective date of the bill; (2) June 30, 2026; and (3) January 24, 2026. These conflicting dates create uncertainty around which date to be used to determine which land may constitute residential property.

The result of this bill would allow a largely unelected and unaccountable board to increase the cost of every taxable purchase made within these districts without voter approval. For these reasons, I have vetoed Senate Bill 283 and am returning it to the Senate."