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The original instrument was prepared by Riley Boudreaux. The following digest, which does not constitute a part of the legislative instrument, was prepared by J. W. Wiley.

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DIGEST

SB 257 Reengrossed 2015 Regular Session Thompson

Present law creates a "The Tax Increment Development Corporation" [TID] in each parish and municipality in the state which may be activated by an ordinance or resolution of the governing authority of the parish or municipality. The TID is authorized to fund a tax increment development project with ad valorem property tax increments, including the authority to issue indebtedness.

Present law authorizes entities defined as "local governmental subdivisions" to implement ad valorem tax and sales tax increment financing 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 authorizes such "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 authorizes such "local governmental subdivisions" to issue revenue bonds and other bonds and forms of indebtedness.

Present law authorizes such "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.

Such 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 defines any Tax Increment Development Corporation [TID] activated in a municipality with a population of not less than 3,300 and not more than 3,395 according to the most recent federal decennial census as an "issuer" and a "local governmental subdivision" for utilization of such TIF authority in present law, but only for the purpose of a specified project described as the financing or refinancing an economic development project or a tax increment community development project consisting of a combination of residential housing units, a bank, and retail establishments including a grocery store, pharmacy, restaurants, and related facilities.

Proposed law specifically grants to such TID 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" as described above.

Restricts the powers, authorities, and duties granted to the TID under present law to a geographically-defined district of no more than 10 acres initiated by the chief executive officer or mayor of a municipality or to a tax increment community development area established by ordinance or resolution of the TID. The TID may pledge any taxes collected under the authority of the proposed law to the project described in proposed law in furtherance of the purposes of the TID. Such financing may include but shall not be limited to loans, mortgages, the issuance of bonds, or the issuance of certificates of indebtedness.

Proposed law must be liberally construed to effect its purposes.

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

(Amends R.S. 33:9038.31(2) and (3); adds R.S. 33:9038.68)

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Limits the purpose for which the TIF authority may be used to the financing or refinancing of an economic development project or a tax increment community development project consisting of a combination of residential housing units, a bank, and retail establishments including a grocery store, pharmacy, and restaurants, and related facilities
2. Limits the size of the district to no more than 10 acres.

##### Senate Floor Amendments to engrossed bill

1. Makes technical changes.