

2020 Regular Session

HOUSE BILL NO. 664

BY REPRESENTATIVE DUPLESSIS

DISTRICTS/ECONOMIC DEVEL: Creates the Infrastructure and Economic Development District in the city of New Orleans

1 AN ACT

2 To enact R.S. 33:4690.15, relative the city of New Orleans; to create the Infrastructure and  
3 Economic Development District within the city; to provide for the district's  
4 boundaries, governance, and powers and duties; to provide for district funding,  
5 including the authority to levy a sales and use tax; to provide for the use of tax  
6 proceeds; and to provide for related matters.

7 Notice of intention to introduce this Act has been published  
8 as provided by Article III, Section 13 of the Constitution of  
9 Louisiana.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 33:4690.15 is hereby enacted to read as follows:

12 §4690.15. New Orleans Infrastructure and Economic Development District

13 A. Creation. There is hereby created within the city of New Orleans, as  
14 more specifically provided in Subsection B of this Section, a body politic and  
15 corporate which shall be known as the New Orleans Infrastructure and Economic  
16 Development District, referred to in this Section as the "district". The district shall  
17 be a political subdivision of the state as defined in the Constitution of Louisiana.

18 B. Boundaries. The boundaries of the district are coterminous with the  
19 boundaries of the city of New Orleans.

1           C. Purpose. The district is established for the primary object and purpose of  
2           providing for the supplemental construction, operation, and maintenance of the  
3           infrastructure located within the district in order to promote the economic growth  
4           and development of the district, and to improve the quality of life of the residents of  
5           the district.

6           D. Governance. (1) The district shall be governed by a board of  
7           commissioners, referred to in this Section as the "board", comprised of the members  
8           of the governing authority of the city of New Orleans.

9           (2) The board shall elect from its members a chairman, a vice chairman, a  
10          secretary, a treasurer, and other officers as it deems necessary. The duties of the  
11          officers shall be fixed by bylaws adopted by the board.

12          (3) The board shall adopt rules and regulations as it deems necessary or  
13          advisable for conducting its business affairs. Rules and regulations of the board  
14          relative to the notice and conduct of meetings shall conform to applicable law,  
15          including laws relative to open meetings. The board shall hold regular meetings as  
16          provided for in the bylaws and may hold special meetings at such times and places  
17          within the district as prescribed in the bylaws.

18          (4) The board shall keep minutes of all meetings and shall make them  
19          available through the secretary of the board to residents of the district.

20          (5) The monies, funds, and accounts of the district shall be in the official  
21          custody of the board.

22          (6) A majority of the members of the board shall constitute a quorum for the  
23          transaction of business.

24          (7) The members of the board shall serve without compensation.

25          E. Powers and duties. (1) The district, through the board, may exercise all  
26          powers of a political subdivision necessary or convenient for the carrying out of its  
27          objects and purposes, including but not limited to the following:

28                 (a) To sue and be sued.

29                 (b) To adopt, use, and alter at will a corporate seal and bylaws.

1           (c) To incur debt and issue bonds, certificates, warrants, notes, or other  
2 evidences of indebtedness.

3           (d) To receive by gift, grant, donation, or otherwise any sum of money,  
4 property, aid, or assistance from the United States, the state of Louisiana, or any  
5 political subdivision thereof, or any person, firm, or corporation.

6           (e) To enter into contracts, agreements, or cooperative endeavors with the  
7 state and its political subdivisions or political corporations and with any public or  
8 private association, corporation, business entity, or individual.

9           (f) To appoint officers, agents, and employees, to prescribe their duties, and  
10 to fix their compensation.

11           (g) To receive and expend funds collected pursuant to Subsection F of this  
12 Section in accordance with a budget adopted as provided by Subsection H of this  
13 Section.

14           (2) The district shall not be deemed an instrumentality of the state for  
15 purposes of Article X, Section 1(A) of the Constitution of Louisiana.

16           F. District funding. (1) The district, through the board, may levy and collect  
17 a sales and use tax, at a rate not to exceed forty-five hundredths of one percent, or  
18 the rate provided in Subparagraph (7)(b) of this Subsection, whichever is lower,  
19 within the boundaries of the district.

20           (2) The tax shall be imposed by resolution of the board and shall be levied  
21 upon the sale at retail, the use, the lease or rental, the consumption, and the storage  
22 for use or consumption of tangible personal property, and on sales of services in the  
23 district, all as defined in Chapter 2 of Subtitle II of Title 47 of the Louisiana Revised  
24 Statutes of 1950. The board may adopt such resolution only after a proposition  
25 authorizing the imposition of the tax has been approved by a majority of the electors  
26 of the district voting at an election held for that purpose in accordance with the  
27 Louisiana Election Code.

28           (3) The tax shall be imposed and collected uniformly throughout district and  
29 shall be collected at the same time and in the same manner as all other sales and use

1 taxes levied and collected within the boundaries of the district by any other political  
2 subdivision in the parish of Orleans.

3 (4) The board may enter into a contract with any public entity authorized to  
4 collect sales or use taxes, under such terms and conditions as it deems appropriate,  
5 including payment of a reasonable collection fee, for the collection of the tax  
6 authorized by this Subsection.

7 (5) The proceeds of the tax shall be used solely and exclusively for the  
8 purpose and benefit of the district.

9 (6) The authority granted by this Subsection shall not limit in any respect any  
10 prior taxing authority granted by any other provision of law to any other political  
11 subdivision.

12 (7)(a) No tax shall be levied and collected pursuant to the provisions of this  
13 Subsection prior to the expiration of the tax levied by R.S. 47:321.1.

14 (b)(i) Notwithstanding the provisions of Subparagraph (a) of this Paragraph,  
15 if the rate of the tax levied by R.S. 47:321.1 is less than forty-five hundredths of one  
16 percent prior to the expiration of the tax, the district may levy a tax pursuant to the  
17 provisions of this Subsection at a rate not to exceed the difference between forty-five  
18 hundredths of one percent and the lower rate.

19 (ii) The district may levy a tax pursuant to the provisions of this  
20 Subparagraph only if the tax levied by R.S. 47:321.1 is levied at a rate below  
21 forty-five hundredths of one percent.

22 G. Additional contributions. The district may solicit and accept additional  
23 voluntary contributions and grants to further its purposes.

24 H. Budget. (1) The board shall adopt an annual budget in accordance with  
25 the Local Government Budget Act, R.S. 39:1301 et seq.

26 (2) The district is subject to audit by the legislative auditor pursuant to R.S.  
27 24:513.

28 I. Cooperation with federal, state, and local agencies. The district, through  
29 the board, may cooperate with the government of the United States, the state of

1        Louisiana, and any agencies, departments, and political subdivisions of the state of  
 2        Louisiana in all undertakings, the purpose of which is the furtherance of the objects  
 3        and purposes for which the district is created.

4                J. Miscellaneous. (1) It is the purpose and intent of this Section that any  
 5        additional infrastructure improvements provided by the district shall be supplemental  
 6        to and not be in lieu of services to be provided in the district by the state of Louisiana  
 7        or the city of New Orleans or their departments or agencies or by other political  
 8        subdivisions.

9                (2) If the district ceases to exist, all funds of the district shall be transmitted  
 10       by the board to the city of New Orleans, and those funds, together with any other  
 11       funds collected by the city of New Orleans pursuant to this Section, shall be  
 12       maintained in a separate account by the city and shall be used only for the  
 13       construction, operation, and maintenance of the infrastructure located within the  
 14       district.

15        Section 2. This Act shall become effective on July 1, 2020; if vetoed by the governor  
 16        and subsequently approved by the legislature, this Act shall become effective on July 1,  
 17        2020, or on the day following such approval by the legislature, whichever is later.

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, 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)]

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HB 664 Engrossed

2020 Regular Session

Duplessis

**Abstract:** Creates the New Orleans Infrastructure and Economic Development District as a political subdivision of the state located in the city of New Orleans.

Proposed law creates and provides for the New Orleans Infrastructure and Economic Development District as a political subdivision of the state in the city of New Orleans to promote the economic growth of the district by providing for the supplemental construction, operation, and maintenance of the infrastructure located within the district. Provides that the district's boundaries are coterminous with the boundaries of the city. Provides that the district is governed by a board of commissioners comprised of the members of the governing authority of the city of New Orleans.

Proposed law provides for 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 and bylaws.
- (3) To incur debt and issue bonds, certificates, warrants, notes, or other evidences of indebtedness.
- (4) To receive by gift, grant, donation, or otherwise any sum of money, property, aid, or assistance from the U.S., the state, or any political subdivision thereof, or any person, firm, or corporation.

Provides that the district shall not be deemed to be an instrumentality of the state for purposes of civil service provisions of the Constitution of La.

Proposed law authorizes the district to levy and collect a sales and use tax not to exceed .45%, subject to voter approval. Prohibits the levy and collection of a tax pursuant to proposed law prior to the expiration of the .45% state sales tax levied by present law (R.S. 47:321.1); however, proposed law authorizes the district to levy a tax, subject to voter approval, if the rate of the state sales tax is less than .45%. Provides that the rate cannot exceed the difference between .45% and the lower rate. Authorizes the board to enter into a contract with any public entity authorized to collect sales and use tax. Requires that the proceeds of the tax be used solely and exclusively for the purpose and benefit of the district.

Proposed law requires the district to adopt an annual budget in accordance with the Local Government Budget Act (R.S. 39:1301 et seq.) and provides that the district is subject to audit by the legislative auditor.

Proposed law authorizes the district to cooperate with the government of the U.S., the state, and any agencies, departments, and political subdivisions of the state of La. in all undertakings to accomplish the district's objects and purposes.

Proposed law provides that any additional infrastructure improvements provided by the district pursuant to proposed law shall be supplemental to and not be in lieu of services to be provided in the district by the state or the city of New Orleans or their departments or agencies or by other political subdivisions. Provides that if the district ceases to exist, the funds shall be transmitted to the city and maintained in a separate account to be used only for infrastructure improvements within the district.

Effective July 1, 2020.

(Adds R.S. 33:4690.15)

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Municipal, Parochial and Cultural Affairs to the original bill:

1. Require that the imposition of a tax by the district be approved by the voters.
2. Additionally authorize the district to levy a tax if the rate of the state sales tax is less than .45%; limit the rate of the tax to the difference between .45% and the lower rate.