

2020 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 87

BY REPRESENTATIVE MAGEE

TAX CREDITS: Urges and requests that any proclamation convening an extraordinary session of the legislature in 2020 include an extension of effectiveness and changes to eligibility requirements of the rehabilitation of historic structures tax credit

1 A CONCURRENT RESOLUTION

2 To urge and request that extension of effectiveness and changes to the eligibility
3 requirements of the rehabilitation of historic structures tax credit incentive provided
4 for in R.S. 47:6019 be included in any proclamation convening an extraordinary
5 session of the legislature in 2020.

6 WHEREAS, on March 11, 2020, Governor John Bel Edwards invoked his authority
7 under the Louisiana Health Emergency Powers Act, R.S. 29:760 et seq., to issue Emergency
8 Proclamation Number 25 JBE 2020, which declared a statewide public health emergency as
9 a result of the imminent threat posed to Louisiana citizens by the outbreak of a respiratory
10 disease caused by the novel coronavirus known as COVID-19; and

11 WHEREAS, on March 13, 2020, the governor issued Emergency Proclamation
12 Number 27 JBE 2020, which supplemented the measures taken in Emergency Proclamation
13 Number 25 JBE 2020 with additional restrictions to further protect the health and safety of
14 the public; and

15 WHEREAS, on March 22, 2020, the governor issued Emergency Proclamation
16 Number 33 JBE 2020, which implemented a general stay-at-home order to the public and
17 additional measures including the temporary closure of certain businesses, further limiting
18 the operations of certain non-essential businesses to the public in an effort to mitigate the
19 impact of COVID-19 and to disrupt the spread of the virus; and

1 WHEREAS, on April 30, 2020, the governor issued Emergency Proclamation
2 Number 52 JBE 2020, which extended the general stay-at-home order included in
3 Emergency Proclamation Number 33 JBE 2020, including closure of nonessential businesses
4 and postponement or canceling of gatherings of ten or more people in a single space at the
5 same time where individuals will be in close proximity to one another; and

6 WHEREAS, many businesses in the hospitality sector such as hotels and restaurants,
7 have experienced serious hardship and financial disruption due to COVID-19; and

8 WHEREAS, the ability of these businesses to expeditiously return to their previous
9 levels of operation is critical to Louisiana's economy, as well as state and local government
10 revenues; and

11 WHEREAS, many historic rehabilitation projects currently under construction or
12 poised to begin construction, have stalled or halted due to the inability of labor to work
13 under the general stay-at-home orders; and

14 WHEREAS, supplies and deliveries for historic rehabilitation projects currently
15 under construction have been impacted due to COVID-19; and

16 WHEREAS, the rehabilitation of historic structures tax credit incentive provided in
17 R.S. 47:6019 is designed to encourage private sector investment in the redevelopment of
18 income-producing, often blighted and vacant historic buildings in certified cultural districts
19 and downtown development districts; and

20 WHEREAS, historic structures have been rehabilitated and revitalized, transforming
21 schools, warehouses, and factories into hotels, restaurants, theaters, affordable housing,
22 community centers, senior living facilities, and other viable commercial buildings; and

23 WHEREAS, a study conducted by PlaceEconomics for the Department of Culture,
24 Recreation and Tourism in 2017 indicated over eight hundred historic structures have been
25 rehabilitated utilizing the rehabilitation of historic structures tax credit, resulting in over
26 three thousand annual jobs, including one thousand seven hundred twenty-five direct jobs
27 and one thousand four hundred twenty-nine indirect jobs each year; and

28 WHEREAS, the study indicated the rehabilitation of historic structures tax credit
29 generates eight dollars and seventy-six cents in economic activity for every one dollar in tax
30 credits; and

1 WHEREAS, the study also indicated the rehabilitation of historic structures tax credit
2 leverages federal capital available through the federal historic tax credit, with fifty-eight and
3 nine tenths percent of the federal historic tax credit used in Louisiana during the last decade
4 being directly attributable to the existence of the rehabilitation of historic structures tax
5 credit; and

6 WHEREAS, the rehabilitation of historic structures tax credit was utilized following
7 natural disasters and economic recessions as an efficient and effective economic recovery
8 tool; and

9 WHEREAS, the rehabilitation of historic structures tax credit is effective through
10 January 1, 2022; and

11 WHEREAS, during any extraordinary session of the legislature in 2020, the
12 legislature should consider legislation extending the effectiveness of the rehabilitation of
13 historic structures tax credit and continuing the tax credit incentive to rehabilitate existing
14 infrastructure located in certified cultural districts or downtown development districts; and

15 WHEREAS, during any extraordinary session of the legislature in 2020, the
16 legislature should consider legislation that improves the tax credit by authorizing additional
17 incentives for investments such as rehabilitating historic structures located in opportunity
18 zones and parishes with a population of less than two hundred thousand; and

19 WHEREAS, during any extraordinary session of the legislature in 2020, the
20 legislature should consider legislation that encourages private capital investment through the
21 rehabilitation of historic structures tax credit in historic structures that include an allocation
22 of federal low-income housing tax credits or federal new markets tax credits, which are
23 authorized for projects located in low-income census tracts, or small projects that incur a
24 minimum number of eligible costs and expenses.

25 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby
26 urge and request that extension of effectiveness and changes to the eligibility requirements
27 of the rehabilitation of historic structures tax credit incentive provided for in R.S. 47:6019
28 be included in any proclamation convening an extraordinary session of the legislature in
29 2020.

1 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the
2 governor of the state of Louisiana, the speaker of the House of Representatives, and the
3 president of the Senate.

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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To urge and request that extension of effectiveness and changes to the eligibility requirements of the rehabilitation of historic structures tax credit incentive provided for in R.S. 47:6019 be included in any proclamation convening an extraordinary session in 2020.