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## DIGEST

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HB 49 Original

2020 First Extraordinary Session

Ivey

**Abstract:** Authorizes an ad valorem tax exemption allowing a taxing authority to enter into a cooperative endeavor agreement with a property owner of non-residential immovable property that requires payments in lieu of ad valorem taxes.

Present constitution provides an exclusive list of ad valorem property tax exemptions.

Proposed law authorizes taxing authorities to enter into a cooperative endeavor agreement that provides for payments in lieu of ad valorem taxes imposed by that taxing authority, subject to the approval of the parish governing authority, the school board, the municipal governing authority, and the sheriff as evidenced by the adoption of a resolution for that purpose, or in the case of a sheriff, a letter.

Proposed law provides that the tax assessor shall be consulted in the negotiation of the cooperative endeavor agreement terms.

Proposed law requires that a public hearing be held prior to the adoption of a resolution for the approval of a cooperative endeavor agreement pursuant to proposed law. Public notice is required in the form of advertisement in the official journal of the taxing authority, or in the absence of an official journal, its local equivalent, at least once no later than 14 days prior to the hearing. The public notice shall provide for where a copy of the draft cooperative endeavor agreement may be examined.

Proposed law requires the business requesting the approval of the cooperative endeavor agreement to provide a copy of the proposed agreement to the Dept. of Economic Development (DED) for review. The public hearing cannot be scheduled until the business receives a written summary by DED of the economic impacts of the project.

Proposed law requires that the summary and additional information produced by DED be submitted to all taxing authorities that could be party to the cooperative endeavor agreement. Proposed law also requires that DED act as an independent economic development advisor to the taxing authorities throughout the cooperative endeavor agreement process.

Proposed law provides that any non-residential immovable property subject to an agreement shall be exempt from ad valorem taxation or may provide for a reduction in ad valorem taxes during the term of the agreement to the extent provided for in the agreement.

Proposed law limits cooperative endeavor agreements entered into for payment in lieu of taxes to a term of no more than 25 years.

Proposed law provides that a cooperative endeavor agreement shall have no application to any ad valorem tax of a taxing authority which is not a party to the agreement.

Proposed law requires that property in the cooperative endeavor agreement be listed on the assessment rolls and information concerning those properties be submitted to the La. Tax Commission.

Proposed law provides that administrative provisions concerning the collection of monies due under an agreement shall be the same as those for ad valorem taxes. Further, the validity of an agreement, as well as any transaction contemplated thereby, may be determined by the filing of a suit as provided in present law, in the district court having jurisdiction for any party to the agreement in the same manner and as though the agreement constitutes an issuance of bonds by the taxing authority.

Present law defines a "cooperative endeavor agreement" as a form of economic development assistance between and among the state and local governments and other entities.

Proposed law retains present law and adds "agreements providing for payments in lieu of taxes" to the definition of "cooperative endeavor agreement".

Effective if and when House Bill No. 33 of this 2020 1st E.S. is enacted and becomes effective.

(Amends R.S. 33:9021(8) and (10) and 9022(1); Adds R.S. 33:2760)