
DIGEST

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HB 270 Original

2025 Regular Session

Knox

Abstract: Provides relative to the powers and duties of the New Orleans Exhibition Hall Authority Economic Growth and Development District.

Present law creates and provides for the New Orleans Exhibition Hall Authority Economic Growth and Development District as a political subdivision. Provides that the district's purpose is to provide for cooperative economic and community development among the district, the city, the state, and the owners of property in the district, to enhance the development of and improvement to property within the district, and to promote economic growth, safety, and development. Provides for the district's boundaries, governance, and powers and duties.

Present law provides that any property that is acquired or owned by the district or any subdistrict is declared to be public property used for public purposes and shall be exempt from all ad valorem taxes. Provides that any improvements, other than those improvements owned by the authority, shall be subject to all ad valorem taxes, or, in the alternative, a payment in lieu of taxes.

Proposed law retains present law.

Present law authorizes the district or any subdistrict, subject to prior review by the New Orleans city council, to designate any property it acquires or owns to be an "economic development project" that may be leased to a lessee subject to the lessee making payments to the tax collector for the city of New Orleans in an annual sum in lieu of ad valorem taxes to compensate the city of New Orleans for any services rendered to the economic development project. Provides that the annual sum shall not be in excess of the ad valorem taxes the lessee would have been obligated to pay in that year had the property been owned by the lessee.

Proposed law removes requirement that the New Orleans city council review an economic development project with a payment in lieu of taxes agreement. Provides instead that the board may require the lessee or sublessee of each project of the district or any subdistrict to pay annually to the parish or municipal taxing authorities a sum in lieu of ad valorem taxes to compensate the taxing authorities for services rendered by them to any project, which sum shall not be in excess of the ad valorem taxes the lessee or sublessee would have been obligated to pay had it been the owner of the project. Requires the lessee or sublessee to pay the full amount of ad valorem taxes levied by the Orleans Parish school board. Provides that "project" means one or more of any combination of convention, exhibition, tourist, entertainment, lodging, retail, parking, and related facilities, together with the necessary land, acquired by lease or purchase, site improvements, infrastructure, furnishings, machinery, equipment, and appurtenances for any such facility.

Present law requires the district or subdistrict, prior to entering into a payment in lieu of tax agreement, to provide the city of New Orleans office of economic development with the payment in lieu of tax proposal for property designated an economic development project serving the public purposes of the district or subdistrict, which proposal shall consist of the following:

- (1) The term of the payment in lieu of tax proposal evidenced in a payment in lieu of tax agreement.
- (2) The annual amount of the payment in lieu of taxes to be paid by the lessee.
- (3) A description of the economic development project identified in the payment in lieu of tax agreement, which, at a minimum shall consist of at least one or more of the following: a development project creating at least 10 new permanent jobs or an affordable workforce housing development of not less than 75 housing units.
- (4) Documentation that the economic development project will meet all required city standards.

Present law provides that prior to acquiring or owning an economic development project with a payment in lieu of tax agreement, a payment in lieu of tax proposal shall be submitted to the city of New Orleans office of economic development for review via personal delivery to the director of the office in exchange for a stamped receipt by the office or via registered or certified U.S. mail.

Present law provides that the office shall have 45 days from the date the proposal is received to review the proposal and to transmit a recommendation of approval or denial to the city council through the clerk of the council.

Present law provides that the city council shall have 15 days from the date the proposal is received to review the proposal followed by an additional 30-day period to adopt a resolution disapproving or approving, with or without amendments. Provides that the 30-day period shall include a hearing before the city council's economic development committee which may recommend a vote of disapproval, approval, or approval with amendments to the full city council.

Present law provides that the tax agreement shall be deemed denied if the city council fails to adopt a resolution approving the proposal, with or without amendments, within 30 days following the 15-day review period.

Present law provides that the payment in lieu of taxes agreement shall become effective upon approval by resolution of the board of the district or subdistrict after the agreement has received the approval of the city council and has incorporated the city council amendments, if any.

Present law requires all economic development projects for which a payment in lieu of tax agreement is approved to submit annual project compliance reports to the city council and the office of economic development.

Present law provides that failure to comply with the approved payment in lieu of taxes agreement

shall be grounds for amendment or cancellation of the agreement by the council.

Present law provides that in connection with the lease of any property owned by the district or subdistrict to a private entity, the contract of lease or other agreement is not subject to certain requirements of present law (R.S. 33:4710.11(D)(4) and (5)) relative to the payment of ad valorem taxes or a payment in lieu of taxes.

Present law provides that nothing in present law should be construed to relieve any party of the obligation to comply with the Comprehensive Zoning Ordinance of the city of New Orleans.

Proposed law removes present law.

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

(Amends R.S. 33:130.865.1)