Regular Session, 2011

HOUSE BILL NO. 161

BY REPRESENTATIVE LORUSSO

DISTRICTS/TAXING: Creates the Lake Area Taxing District in Orleans Parish

AN ACT

To enact R.S. 33:9038.65, relative to the city of New Orleans; to create and provide for the Lake Area Taxing District in Orleans Parish; to provide relative to the boundaries, purpose, and governance of the district; to provide relative to the powers and duties of the district including the power to provide for tax increment financing; to provide for the term of the district's existence; and to provide for related matters.

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

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 33:9038.65 is hereby enacted to read as follows:

§9038.65. Lake Area Taxing District; Orleans Parish

A. Creation. The Lake Area Taxing District, a special taxing district and political subdivision of the state, referred to in this Section as the "district", is hereby created within Orleans Parish.

B. Boundaries. The district shall be comprised of the area of the parish lying within the following perimeter: commencing at the intersection of City Park Avenue and Orleans Avenue, then west along City Park Avenue to its intersection with Metairie Road, continue west along Metairie Road to its intersection with the 17th Street Canal, then north along the 17th Street Canal to its intersection with Lake Pontchartrain, continue north along Lake Pontchartrain then east along the northern boundary of Breakwater Park, continue east along Lake Pontchartrain to its



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intersection with Bayou St. John, then south along Bayou St. John to its intersection with Robert E. Lee Boulevard, then west along Robert E. Lee Boulevard to its intersection with Orleans Avenue, then south along Orleans Avenue to the point of beginning.

C. Purpose. The district is created to provide for cooperative economic development between the district, the city of New Orleans, and the owner or owners of businesses and property within the district in order to provide for supplemental maintenance, repair, and upkeep to the streets and alleyways and related infrastructure of the district.

D.(1) Governance. In order to provide for the orderly development of the district and to effectuate the purposes of the district, the district shall be administered and governed by an eleven-member board of commissioners, referred to in this Section as the "board". The board shall be composed as follows:

(a) Three members shall be appointed by the member or members of the Louisiana House of Representatives who represent the area that comprises the district.

(b) Three members shall be appointed by the member or members of the Louisiana Senate who represent the area that comprises the district.

(c) Three members shall be appointed by the member or members of the governing authority of the city of New Orleans who represent the area that comprises the district.

(d) Two members shall be appointed by the mayor of the city of New Orleans.

(2) All members shall be residents and qualified voters of the district.

(3)(a) Members shall serve terms concurrent with the respective appointing authority.

(b) Notwithstanding any provision of law to the contrary, including R.S. 42:2, upon the expiration of any term of any appointed member, that position on the



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board shall immediately become vacant and shall be filled in accordance with the provisions of Subparagraphs (1)(a) through (d) of this Subsection.

(4) As soon as practicable after its appointment, the board shall meet and elect from its members a chairman, a vice chairman, a treasurer, and such other officers as it may deem appropriate. A secretary of the board may be selected from among the members or may be otherwise selected or employed by the board. The duties of the officers shall be fixed by bylaws adopted by the board.

(5) The board shall adopt such rules and regulations as it deems necessary or advisable for conducting its business and affairs and shall engage such assistants and employees as are needed to assist the board in the performance of its duties. It shall hold regular meetings and may hold special meetings as provided by its bylaws.

(6) A majority of the members of the board shall constitute a quorum for the transaction of business. The board shall keep minutes of all regular and special meetings and shall make them available to the public in conformance with law.

(7) The members of the board shall serve without compensation and shall not receive reimbursement for expenses.

E. Rights and powers. (1) The district shall have and exercise all powers of a political subdivision and special taxing district necessary or convenient for the carrying out of its objects and purposes, including but not limited to the following:

(a) To sue and be sued.

(b) To adopt bylaws and rules and regulations.

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

(d) For the public purposes of the district, to enter into contracts, agreements, or cooperative endeavors with the state and its political subdivisions or political corporations and with any public or private association, corporation, business entity, or individual.



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(e) To appoint officers, agents, and employees, prescribe their duties, and fix their compensation. The board may appoint or hire an executive director as it deems necessary for the purpose of carrying out its day-to-day work operations for convenience and effectiveness in the administration of plans. The board may contract with consultants for project management and with developers or planners for such services as it may require. The board may delegate certain authority to its employees, consultants, and executive director to act on its behalf, which delegation of authority shall be specific and in writing.

(f) To acquire by gift, grant, purchase, lease, or otherwise such property as may be necessary or desirable for carrying out the objectives and purposes of the district and to mortgage and sell such property.

(g) In its own name and on its own behalf, to incur debt and to issue bonds, notes, certificates, and other evidences of indebtedness. For this purpose, the district shall be deemed and considered to be an issuer for purposes of R.S. 33:9037 and shall, to the extent not in conflict with this Section, be subject to the provisions of R.S. 33:9037.

(h) To establish such funds or accounts as are necessary for the conduct of the affairs of the district.

(2) The board shall prepare an annual budget of its operating expenses, the total amount of which, exclusive of gifts, shall be within the total amounts appropriated for the purpose by the district.

(3) The board shall have an annual audit of its operating expenses available for public review.

F. Term. The district shall dissolve and cease to exist one year after the date all bonds, notes, and other evidences of indebtedness of the district, including refunding bonds, are paid in full as to both principal and interest; however, under no event shall the district have an existence of less than three years nor more than ten years.



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G. Tax increment financing. (1)(a) Except as provided in Subparagraphs (b) and (c) of this Paragraph, the district has all authorities provided for in R.S. 33:9038.34 to implement sales tax increment financing; however, any tax or portion of a tax which has been previously dedicated to another purpose according to a proposition approved by voters shall be used as such a tax increment only if approved by a majority of the registered voters of the taxing authority levying the tax voting on the proposition at an election held for such purpose in accordance with the Louisiana Election Code.

(b) Notwithstanding the provisions of R.S. 33:9038.34(A)(6), state of Louisiana sales tax increments shall not be dedicated to pay the revenue bonds of a district project.

(c) The board shall not implement sales tax increment financing pursuant to R.S. 33:9038.34 without the prior approval of the governing authority of the city of New Orleans.

(2)(a) The board shall designate the boundaries of a sales tax area and shall designate the local sales taxes that are to be used in determining the sales tax increments and the initial annual baseline collection rate for the sales tax area, which shall be the amount of such designated sales taxes collected in the sales tax area during the fiscal year that the city of New Orleans most recently completed prior to the establishment of the sales tax area. In addition, a monthly baseline collection rate shall be determined by dividing the initial annual baseline collection rate by twelve.

(b) The initial annual baseline collection rate and the monthly baseline collection rate shall be certified by the chief financial officer for the city of New Orleans. The certification shall also be published one time in the city's official journal.

(c) If the amounts of the initial annual baseline collection rate and the monthly baseline collection rate are not contested within thirty days after the publication, then such amounts shall be conclusively presumed to be valid, and no



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court shall have any jurisdiction to alter or invalidate the designation of the amount of either the initial annual baseline collection rate or the monthly baseline collection rate.

H. Liberal construction. This Section, being necessary for the welfare of the district and its residents, shall be liberally construed to effect the purposes thereof.

Section 2. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

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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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Lorusso HB No. 161

**Abstract:** Creates the Lake Area Taxing District in Orleans Parish as a special taxing district to provide for cooperative economic development between the district, the city of New Orleans, and the owner or owners of businesses and property within the district. Authorizes the district to provide for the use of sales tax increment financing.

Proposed law creates the Lake Area Taxing District in Orleans Parish as a special taxing district and political subdivision of the state to provide for cooperative economic development between the district, the city of New Orleans, and the owner or owners of businesses and property within the district in order to provide for supplemental maintenance, repair, and upkeep to the streets and alleyways and related infrastructure of the district. Provides for district boundaries.

Proposed law provides that the district shall be administered and governed by an 11-member board of commissioners. Provides that the board shall be composed as follows:

(1) Three members appointed by the member(s) of the La. House of Representatives who represent the area that comprises the district.

(2) Three members appointed by the member(s) of the La. Senate who represent the area that comprises the district.

(3) Three members appointed by the member(s) of the governing authority of the city of New Orleans who represent the area that comprises the district.

(4) Two members appointed by the mayor of the city of New Orleans.

Proposed law requires members to be residents and qualified voters of the district. Provides that the terms of members shall be concurrent with the appointing authority. Provides that



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notwithstanding present law, upon expiration of a member's term, the position is immediatelyvacant. Provides that members serve without compensation and reimbursement of expenses.

Proposed law provides that the district, through its board, shall have and exercise all powers of a political subdivision and special taxing district necessary or convenient for the carrying out of its objects and purposes, including but not limited to the following:

(1) To sue and be sued.

(2) To adopt bylaws and rules and regulations.

(3) To receive any sum of money, property, or assistance from the U.S., the state of La., or any political subdivision thereof, or any person, firm, or corporation.

(4) To enter into contracts, agreements, or cooperative endeavors with public and private entities and persons.

(5) To appoint officers, agents, and employees, to contract with consultants, developers, and planners, and to appoint or hire an executive director. Provides for written delegation of board authority to employees, consultants, and executive director.

(6) To acquire property.

(7) To incur debt and to issue bonds, notes, certificates, and other evidences of indebtedness.

Proposed law requires the board to prepare an annual budget of its operating expenses. Further requires the board to have an annual audit of its operating expenses available for public review.

Proposed law provides that the district shall dissolve and cease to exist one year after the date all bonds, notes, and other evidences of indebtedness of the district are paid; however, provides that the district shall not have an existence of less than three years nor more than 10 years.

Proposed law authorizes the district to implement sales tax increment financing, subject to prior approval of the governing authority of the city of New Orleans. Specifically grants the district tax increment financing authority provided in present law (R.S. 33:9038.34) relative to sales tax increment financing. Prohibits the dedication of state sales tax increments to pay the revenue bonds of a district project.

Proposed law requires the board to designate the boundaries of a sales tax area and to designate the local sales taxes that are to be used in determining the sales tax increments and the initial monthly baseline collection rate and annual baseline collection rate for the sales tax area, which shall be the amount of such designated sales taxes collected in the sales tax area in the fiscal year that the city of New Orleans most recently completed prior to the establishment of the sales tax area. (The monthly rate is determined by dividing the annual rate by 12).

Proposed law provides that the initial annual baseline collection rate and the monthly baseline collection rate shall be certified by the chief financial officer of the city of New Orleans. The certification shall be published one time in the official journal of the city.

Proposed law provides that if the amounts of the initial annual baseline collection rate and the monthly baseline collection rate are not contested within 30 days after publication, then such amounts shall be conclusively presumed to be valid, and no court shall have any



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jurisdiction to alter or invalidate the designation of the amount of either the initial annual baseline collection rate or the monthly baseline collection rate.

Proposed law provides that proposed law, being necessary for the welfare of the district and its residents, shall be liberally construed to effect the purposes thereof.

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

(Adds R.S. 33:9038.65)



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