

Regular Session, 2012

HOUSE BILL NO. 335

BY REPRESENTATIVE LORUSSO

DISTRICTS/SPECIAL: Relative to the New Orleans City Park Taxing District, provides with respect to procedures relative to use of state sales tax increments for tax increment financing

1 AN ACT

2 To amend and reenact R.S. 33:9038.59(G), relative to the New Orleans City Park Taxing
3 District; to provide relative to tax increment financing and the dedication of state
4 sales tax increments for such purpose; to provide relative to approval of agreements
5 related to such state sales tax increment financing; and to provide for related matters.

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

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 33:9038.59(G) is hereby amended and reenacted to read as follows:

11 §9038.59. New Orleans City Park Taxing District

12 * * *

13 G.(1) For purposes of implementing tax increment financing as provided for
14 in this Part, the board shall have all authorities provided for in R.S. 33:9038.34 to
15 implement sales tax increment financing, including in particular the provisions of
16 R.S. 33:9038.34(O), except that the provisions of R.S. 33:9038.34(A)(6) shall not be
17 applicable and instead Paragraph (2) of this Subsection shall control the process for
18 the dedication of any state of Louisiana sales tax increments. However, any tax or
19 portion of a tax which has been previously dedicated to another purpose according

1 to a proposition approved by voters shall be used as such a tax increment only if
2 approved by a majority of the voters of the taxing authority levying the tax voting
3 on the proposition in an election held for such purpose.

4 (2) Subject to dedication by law, state of Louisiana sales tax increments may
5 be dedicated to pay the revenue bonds of a local economic development project but
6 shall not exceed the aggregate portion of the local sales tax increment dedicated for
7 such purposes. Prior to the dedication of state sales tax increments to pay revenue
8 bonds for a local economic development project, the district shall submit the
9 proposed project to the Joint Legislative Committee on the Budget for approval. The
10 submittal shall include certification by the Department of Revenue of the anticipated
11 increase in state sales tax revenues to be collected within the state over state sales tax
12 revenues that were collected within the state in the year immediately prior to the year
13 in which the project is submitted to the committee that would be a direct result of the
14 project. In determining whether to approve the dedication of state sales tax
15 increments, the Joint Legislative Committee on the Budget shall take into account
16 whether the city of New Orleans has agreed to the dedication of a portion of the city's
17 sales tax for a local economic project or projects in the district, including the length
18 of time for any such dedication and the amount of any such dedication. In addition,
19 subject to the provisions of R.S. 33:9029.2, any cooperative endeavor agreement or
20 other agreement providing for the expenditure of funds collected by the state as state
21 sales tax increments and dedicated to a project or for the payment of revenue bonds
22 therefor shall be subject to approval by the State Bond Commission prior to
23 execution by the state, except the provisions of R.S. 33:9029.2(A)(2) and (B) as to
24 the submission of applications or filing of suits by the Department of Economic
25 Development shall not apply. Any application to the State Bond Commission for
26 such approval shall be submitted by the district. Any suit to determine the validity
27 of any cooperative endeavor agreement prior to the execution thereof pursuant to the
28 provisions of Part XVI of Chapter 32 of Title 13 of the Louisiana Revised Statutes

Present law creates the New Orleans City Park Taxing District with boundaries the same as New Orleans City Park to provide for cooperative economic development between the city of New Orleans, the New Orleans City Park Improvement Association, and the district in order to provide for the renovation, restoration, and development of New Orleans City Park. Provides for governance by a four-member board of commissioners: the president of the New Orleans City Council, the secretary of the Dept. of Culture, Recreation and Tourism, the president of the board of commissioners of the New Orleans City Park Improvement Association, and the chief executive officer of New Orleans City Park.

Present law grants the district all the powers of a political subdivision and special taxing district which are necessary or convenient for the carrying out of its objects. Present law authorizes the district to implement tax increment financing as provided in present law (R.S. 33:9038.34) relative to sales tax increment financing, and particularly provisions for creation of a special economic development trust fund. Specifies that any tax or portion of tax which has previously been dedicated to another purpose may be used as such a tax increment only if approved by a majority of the voters of the taxing authority levying the tax voting on the proposition in an election held for such purpose.

Proposed law retains present law except provides for certain changes in procedures relative to approval of the dedication of state sales tax increments for economic development projects affecting the district. Present law (R.S. 33:9038.34(A)(6)), in part, requires that, prior to the dedication of any state sales tax increments to pay revenue bonds for a local economic development project, the secretary of Dept. of Economic Development (DED) shall submit the proposed project to the Joint Legislative Committee on the Budget for approval and shall include a written evaluation and determination by DED, with input from and certification by the Dept. of Revenue, of the anticipated increase in state sales tax revenues to be collected within the state over such revenues that were collected within the state in the year immediately prior to the year the project is submitted to the committee that would be a direct result of the project.

Proposed law requires that the district (instead of DED) submit the project to the Joint Legislative Committee on the Budget for approval. Also removes requirement that the submittal include a written evaluation and determination by DED. Requires that the submittal include certification by the Dept. of Revenue of the anticipated increase in state sales tax revenues to be collected within the state over such revenues that were collected within the state in the year immediately prior to the year in which the project is submitted to the committee that would be a direct result of the project. Proposed law further requires the Joint Legislative Committee on the Budget, in determining whether to approve the dedication of state sales tax increments, to take into account whether the city of New Orleans has agreed to dedicate city sales tax for a local economic development project(s) in the district, including the length of time for and the amount of any such dedication.

Proposed law retains present law that requires approval by the State Bond Commission of any cooperative endeavor agreement or other agreement providing for the expenditure of funds collected by the state as state sales tax increments and dedicated to a project or for the payment of revenue bonds therefor.

Present law (R.S. 33:9029.2) provides that the state through the commissioner of administration may enter into cooperative endeavor agreements with political subdivisions or other agencies or persons to achieve a public purpose, including but not limited to enhancing or maintaining the economic well-being of the state, which agreement may or may not contemplate the issuance of bonds. Otherwise provides with respect to such agreements. Requires that certain such cooperative endeavor agreements be approved by the State Bond Commission prior to execution. Present law (R.S. 33:9029.2(A)(2)) requires submission of the approval application to the State Bond Commission by the secretary of the DED and provides for the content of such applications. Present law (R.S. 33:9029.2(B)) makes provisions of Part XVI of Chapter 32 of Title 13 of the La. Revised Statutes of 1950 (relative to suits to determine the validity of governmental bonds) applicable to certain such

cooperative endeavors and provides that such suits may be filed by DED as though such agreements constituted the issuance of bonds of a governmental unit.

Proposed law makes present law (R.S. 33:9029.2) applicable to agreements of the district to dedicate state sales tax increments; however, excepts such agreements from provisions of R.S. 33:9029.2(A)(2) and (B) that provide for DED to submit an application to the committee or file a suit and provides instead that the district (instead of DED) shall submit any application to the State Bond Commission and may file suit to determine the validity of any cooperative endeavor agreement.

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

(Amends R.S. 33:9038.59(G))