

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

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)]

Lorusso

HB No. 335

Abstract: Relative to the New Orleans City Park Taxing District and the use of state sales tax increments for tax increment financing, changes certain procedures for approval of the use of such state sales tax increments and of related agreements.

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 commissioner of administration (instead of DED) submit the project to the Joint Legislative Committee on the Budget for approval. Removes requirement that the submittal include a written evaluation and determination by DED and requires, instead, that the submittal include a written evaluation and determination by the division of administration. Further requires 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))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Municipal, Parochial and Cultural Affairs to the original bill.

1. Relative to the submission of a local economic development project to the Joint Legislative Committee on the Budget for approval, requires that the commissioner of administration submit the project, rather than the district. Additionally requires that the submittal include a written evaluation and determination by the division of administration.