

2016 Regular Session

HOUSE BILL NO. 1154 (Substitute for House Bill No. 1110 by Representative Broadwater)

BY REPRESENTATIVE BROADWATER

TAX: Authorizes state and local governing authorities to enter into cooperative endeavor agreements and provide for payments in lieu of taxes in exchange for certain transportation investments by public or private corporations

1 AN ACT

2 To enact Chapter 5 of Subtitle VII of Title 47 of the Louisiana Revised Statutes of 1950, to
3 be comprised of R.S. 47:6361, relative to payment in lieu of tax agreements; to
4 authorize certain governmental authorities to enter into cooperative endeavor
5 agreements with parties in exchange for certain transportation investments; to
6 authorize certain governmental authorities to provide for payments in lieu of taxes
7 in exchange for certain transportation investments; to require the approval of certain
8 cooperative endeavor agreements; to require certain information to be included in the
9 cooperative endeavor agreements; to provide for limitations; to require the
10 promulgation of rules and regulations; to provide for an effective date; and to
11 provide for related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. Chapter 5 of Subtitle VII of Title 47 of the Louisiana Revised Statutes of
14 1950, to be comprised of R.S. 47:6361 is hereby enacted to read as follows:

15 CHAPTER 5. PAYMENTS IN LIEU OF TAXES IN CONNECTION WITH16 TRANSPORTATION INVESTMENTS17 §6361.Cooperative Endeavor Agreements and Payment in Lieu of Tax Agreements;18 transportation investments19 A.(1) The state of Louisiana and its political subdivisions or political20 corporations may enter into cooperative endeavor agreements with each other, with21 the United States or its agencies, or with any public or private association, or

1 corporation to negotiate payments in lieu of taxes to be paid by private corporate
2 taxpayers, where the payments take the form of investment by the private corporate
3 taxpayer in transportation projects that benefit the state, local governments, and the
4 private corporate taxpayer.

5 (2) Prior to the state entering into any cooperative endeavor agreement for
6 state funds to be used for the project authorized pursuant to the provisions of this
7 Section, the cooperative endeavor agreement shall be approved by the House Ways
8 and Means Committee meeting jointly with the Senate Revenue and Fiscal Affairs
9 Committee and the House Transportation, Highways, and Public Works Committee
10 meeting jointly with the Senate Transportation, Highways and Public Works
11 Committee.

12 (3) Any cooperative endeavor agreement authorized pursuant to the
13 provisions of this Section shall include the following provisions:

14 (a) A statement of the public purpose served by the agreement, including a
15 detailed description of the transportation project to which the private corporate
16 taxpayer's investment shall be applied.

17 (b) Unless the project has already been included in a state priority program,
18 a conceptual design of the transportation project including all proposed
19 interconnections with existing or planned transportation projects and facilities.

20 (c) A feasibility study for the project.

21 (d) The proposed date for acquisition, construction, or improvement of the
22 transportation project.

23 (e) The terms of any payment in lieu of tax agreement agreed to between the
24 parties of the cooperative endeavor agreement that the parties accept in exchange for
25 the private corporate taxpayer's investment in the transportation project.

26 (f) An economic impact statement that justifies the terms of the cooperative
27 endeavor agreement.

28 (g) If the taxpayer, not the public entity, constructs the transportation project,
29 commitments that the taxpayer shall donate the completed transportation project to

1 the appropriate public entity after its suitable completion, and a commitment that the
2 public entity shall accept the completed project.

3 (h) If the taxpayer commits funds to a public transportation project, the
4 amount of funds to be committed by the taxpayer to the transportation project and
5 the time or times at which the funds shall be paid to the public entity constructing the
6 project.

7 (i) Identification of any affected state or local jurisdiction that is not a party
8 to the agreement and documentation that the jurisdiction has received a copy of the
9 cooperative endeavor agreement and has no objection to the transportation project.

10 B. The secretary of the Department of Transportation and Development in
11 cooperation with the secretary of the Department of Revenue shall promulgate rules
12 and regulations in accordance with the provisions of the Administrative Procedure
13 Act to implement the provisions of this Section.

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

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)]

HB 1154 Engrossed

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Broadwater

Abstract: Authorizes state and local governments to enter into cooperative endeavor agreements with public or private investors which provide for investments in transportation projects in lieu of state and local taxes.

Proposed law authorizes the state, its political subdivisions, and political corporations to enter into cooperative endeavor agreements (CEA) with each other, the U. S. government, or with any public or private association or corporation to negotiate payments in lieu of taxes to be paid by private corporate taxpayers, where the payments take the form of investment by the taxpayer in transportation projects that benefit state and local governments and the private corporate taxpayer.

Proposed law requires that prior to the state entering into any CEA that requires state funds to be used for a transportation project, that the CEA be approved by the House Ways and

Means Committee meeting jointly with the Senate Revenue and Fiscal Affairs Committee and the House and Senate Transportation, Highways, and Public Works Committees meeting jointly.

Proposed law requires the CEA to contain the following provisions:

- (1) A statement of the public purpose served by the agreement, including a detailed description of the transportation project to which the private corporate taxpayer's investment shall be applied.
- (2) Unless the project has already been included in a state priority program, a conceptual design of the transportation project including proposed interconnections with existing or planned transportation facilities.
- (3) A feasibility study for the project.
- (4) The proposed date for acquisition, construction, or improvement of the transportation project.
- (5) The terms of any payment in lieu of tax agreement agreed to between the parties of the CEA that the parties accept in exchange for the private taxpayer's investment in the transportation project.
- (6) An economic impact statement that justifies the terms of the CEA.
- (7) Commitments that the taxpayer donate the completed transportation project to the appropriate public entity after its completion and that the public entity shall accept the completed project.
- (8) The funds committed by the taxpayer to the transportation project and the timing of the funds being paid to the public entity constructing the project.
- (9) Identification of any state or local jurisdiction not a party to the CEA and documentation that the jurisdiction received a copy of the CEA and does not object to the project.

Proposed law requires DOTD, in cooperation with the Dept. of Revenue to promulgate rules in accordance with the APA to implement proposed law.

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

(Adds R.S. 47:6361)