
DIGEST

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HB 1154 Engrossed

2016 Regular Session

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)