

RÉSUMÉ DIGEST

ACT 499 (SB 374)

2026 Regular Session

Cathey

New law establishes the statewide college economic development district implementation procedure for the creation of college economic development districts for any college or university in any municipality or parish.

New law provides that a college economic and development district, created pursuant to new law, shall be created only upon the adoption of an ordinance by the appropriate local governing authority and shall not include any residential property.

New law provides that the purpose of the district is to provide for cooperative economic and community development among the district, the colleges, the parish or municipal governing authority, the state, and the owners of property in the district.

New law provides that the parish or municipal governing authority shall establish the boundaries of a district in the ordinance creating it. Provides that the boundaries of the district shall be coterminous with that boundaries of one or more subdivisions within a parish.

New law provides that the district is governed by a board of commissioners and provides for board composition as follows:

- (1) The highest executive officer of the college.
- (2) Four persons appointed by the highest executive officer of the college.
- (3) One member of the legislature jointly appointed by the Senate president and the House speaker.

New law provides that two of the members of the board shall be representatives from businesses within the district.

New law provides that commissioners serve five-year terms, with vacancies filled in the manner of the original appointment. Provides that the president shall serve as long as he is president of the university. Two members shall serve an initial term of two years, and two members shall serve an initial term of three years, as determined by lot at the first meeting of the board. Provides that if an appointment to fill a vacancy is not made within 60 days, the board shall appoint an interim successor to serve until the position is filled by the appointing authority. Authorizes removal of a commissioner for cause by a three-fourths vote of the board. Provides that commissioners serve without compensation but authorizes reimbursement of expenses.

New law provides that the official journal of the district is the official journal of the parish where the domicile of the board is located. Provides that a district created pursuant to new law is a political subdivision of the state and has the powers of a political subdivision.

New law provides for the following powers:

- (1) To develop public improvement projects for the benefit of the respective college, either directly with the respective college or through one or more private foundations or nonprofit corporations affiliated with the respective college, or both.
- (2) To exercise the powers granted to a college economic development district established pursuant to existing law (R.S. 33:9038.33 and 9038.34). Existing law authorizes the district to utilize increment financing. Further authorizes a district to levy ad valorem taxes up to five mills, sales taxes up to two percent, and hotel occupancy taxes up to two percent, all subject to voter approval unless there are no voters in the district.
- (3) To exercise the powers granted to a community development district established pursuant to existing law (R.S. 33:9038.29).

New law provides procedures for the levy of any tax or assessment, including a requirement for voter approval unless there are no voters in the district. Provides that a district is

expanded to include an area where qualified electors reside, new law prohibits collection of a tax in the added area unless the qualified electors of that added area approve the tax. Authorizes the district to create subdistricts which are governed by the board of commissioners and have the same powers as the district.

New law provides that each college economic development district and any subdistrict created by the college district, and the governing board of commissioners for the district and subdistrict shall not have any power, authority or right to levy taxes, assessment or fees of any type or form on any property in any area within the district or subdistrict that is used or operated now or in the future for any industrial use, as defined in new law.

New law defines "exempt entity" and "industrial activities".

New law provides that each college economic development district and any subdistrict created by the college district may be the recipient of a sales or use tax increment which consist of that portion of the designated incremental sales or use tax collected each year on the sale at retail, the use, the lease or rental, the consumption and storage for use or consumption of tangible personal property, and on sales of services.

New law provides that the sales or use tax increment may include hotel occupancy taxes, occupancy taxes, or similar taxes, or any combination of such taxes, levied upon the use or occupancy of hotel rooms if so designated by the governing authority of the district as the tax recipient entity, from taxpayers located within a college economic development district and subdistrict which exceeds the designated sales or use tax revenues and hotel occupancy taxes, occupancy taxes, or similar taxes so designated that were collected in the year immediately prior to the year in which the college economic development district and any subdistrict was established.

New law authorizes the district to issue bonds and to otherwise incur debt. Provides requirements and procedures therefor.

New law provides that the district shall dissolve and cease to exist upon the later to occur of either one year after the date on which all debt of the district is paid in full or 50 years from the creation of the district.

Effective May 29, 2026.

(Adds R.S. 33:9731)