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## DIGEST

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HB 623 Original

2017 Regular Session

Hilferty

**Abstract:** Creates the New Orleans Street Maintenance District to aid in the maintenance, repair, and upkeep of the streets and alleyways and related infrastructure in the city of New Orleans.

Proposed law creates the New Orleans Street Maintenance District as a political subdivision of the state to provide supplemental maintenance, repair, and upkeep to the streets and alleyways and related infrastructure of the district. Provides that the district's boundaries are coterminous with the boundaries of the city of New Orleans.

Proposed law provides that the district is governed by a nine-member board composed as follows:

- (1) Five members, each one appointed jointly by the members of the La. House of Representatives and the La. Senate who represent the area which comprises each of the five New Orleans city council districts.
- (2) Two members appointed by the mayor of the city of New Orleans, one of whom must be a representative of the city's public works department, and one of whom must be a representative of the New Orleans Sewerage and Water Board.
- (3) One member appointed by the governing board of the New Orleans Regional Planning Commission.
- (4) One member appointed by the La. Associated General Contractors.

Proposed law provides that members serve five-year staggered terms without compensation. Requires the board to elect from its members a chairman, a vice chairman, a secretary, a treasurer, and such other officers as it may deem necessary. Proposed law further requires the board to adopt such rules and regulations as it deems necessary or advisable for conducting its business affairs.

Proposed law provides for the powers and duties of the board, including but not limited to the following:

- (1) To sue and be sued.
- (2) To enter into contracts with individuals or entities, private or public.
- (3) To purchase or lease items and supplies which the board deems instrumental to achieving the

purposes of the district.

- (5) To procure and maintain liability insurance against any personal or legal liability of a board member that may be asserted or incurred based upon his service as a member of the board.

Proposed law authorizes the district, by resolution of the board, to levy and collect a 1% hotel occupancy tax (hotels with 10 or more guests rooms) and a food and beverage tax of 1/4% on the gross receipts from the sales of goods and beverages by any food service establishment or in any airport or air transportation facility owned and operated by the city of New Orleans. Proposed law excludes any food service establishment owned by any individual or corporation that had gross annual receipts of less than \$500,000 during the calendar year prior to the year in which the food and beverage tax is assessed.

Proposed law authorizes the district to solicit voluntary contributions and grants to further district purposes.

Proposed law requires the board to adopt an annual budget in accordance with the Local Government Budget Act and provides that the district shall be subject to audit by the legislative auditor.

Proposed law provides that it is the purpose and intent of proposed law that the additional maintenance, repair, and upkeep to the streets and alleyways and related infrastructure provided by the district pursuant to proposed law shall be supplemental to and not in lieu of services to be provided by the state of La. or the city of New Orleans or their departments or agencies or by other political subdivisions. Requires the board to transmit all funds of the district to the city of New Orleans if the district ceases to exist. Provides further with respect to the management of the funds by the city.

Proposed law requires the district to indemnify its officers and board members to the fullest extent permitted by present law (relative to indemnification of officers, directors, employees, and agents of nonprofit corporations) as fully as if the district were a nonprofit corporation governed thereby and as may be provided in district bylaws. Provides that no board member or officer shall be liable to the district or to any individual who resides, owns property, visits, or otherwise conducts business in the district for monetary damages for breach of duties; however, provides that this shall not eliminate or limit the liability of a board member or officer for:

- (1) Acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law.
- (2) Any transaction from which he derived an improper personal benefit.

Proposed law provides that a board member or officer shall be not individually liable for any act or omission arising out of the performance of his duties to the fullest extent permitted by present law relative to limitation of liability of directors, officers, and trustees of certain organizations and districts.

Effective January 1, 2018.

(Adds R.S. 33:3675.51)