

2017 Regular Session

HOUSE BILL NO. 445

BY REPRESENTATIVES SEABAUGH, BROADWATER, AND CARMODY

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TAX/AD VALOREM TAX: Authorizes and provides for cooperative endeavor agreements between local governmental subdivisions and other entities that may require payments in lieu of ad valorem taxes

1 AN ACT

2 To amend and reenact R.S. 33:9021(8) and (10), and 9022(1), and to enact R.S. 33:2758.1,  
3 relative to ad valorem tax exemptions; to provide with respect to payments in lieu  
4 of taxes pursuant to certain cooperative endeavor agreements; to provide relative to  
5 procedures for the validity of certain cooperative endeavor agreements; to provide  
6 for limitations and requirements; to provide for definitions; to provide for  
7 effectiveness; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 33:9021(8) and (10), and 9022(1) are hereby amended and reenacted,  
10 and R.S. 33:2758.1 is hereby enacted to read as follows:

11 §2758.1. Cooperative endeavor agreements authorizing payments in lieu of ad  
12 valorem taxes; local governmental subdivisions

13 A. One or more local governmental subdivisions may enter into a joint or  
14 separate cooperative endeavor agreement with any other person or entity that  
15 provides for payments in lieu of ad valorem taxes imposed by a taxing authority that  
16 is a party to such cooperative endeavor agreement, subject to the approval of the  
17 governing body of the taxing authority as evidenced by the adoption of a resolution,  
18 or in the case of a sheriff or assessor, other official indicia of approval, for that  
19 purpose.

1           B. Any property subject to a cooperative endeavor agreement that requires  
2 payments in lieu of ad valorem taxes shall be exempt from ad valorem taxation  
3 during the term or terms of the cooperative endeavor agreement, and to the extent  
4 provided for in such cooperative endeavor agreement, as authorized under Article  
5 VII, Section 21(N) of the constitution of Louisiana.

6           C. Payment obligations, transferability, collection procedures which may  
7 include the designation of a collector, and any other matters relating to the payment  
8 and collection of payments made in lieu of ad valorem taxes may be set forth in a  
9 cooperative endeavor agreement authorized under this Section.

10           D. In order to provide a uniform, expeditious, and equitable procedure to  
11 determine the validity of a cooperative endeavor agreement authorized under this  
12 Section, as well as any transaction contemplated thereby, a suit to determine the  
13 validity of such an agreement may be filed as provided in R.S. 13:5121, et seq., in  
14 the district court having jurisdiction for any party to the agreement in the same  
15 manner and as though the agreement constitutes an issuance of bonds by the taxing  
16 authority.

17                                   \*       \*       \*

18       §9021. Findings, declarations of necessity, and purpose

19               It is hereby found and declared that:

20                                   \*       \*       \*

21               (8) Public-private partnerships which take advantage of the special expertise  
22 and experience of representatives of the private sector and other cooperative  
23 endeavor agreements can be among the most effective programs to encourage and  
24 maintain economic development.

25                                   \*       \*       \*

26               (10) It is in the best interest of the state of Louisiana and of its regions,  
27 parishes, and municipalities to encourage, create, and support public-private  
28 partnerships and other cooperative endeavor agreements and to permit and encourage  
29 participation by representatives of private-sector industries which may benefit from

1 economic development programs, while providing appropriate protections for the  
2 public interest.

3 \* \* \*

4 §9022. Definitions

5 The following terms, whenever used or referred to in this Chapter, shall have  
6 the following meaning unless a different meaning is otherwise clearly indicated in  
7 the context:

8 (1) "Cooperative endeavors" means any form of economic development  
9 assistance between and among the state, its local governmental subdivisions,  
10 political corporations, public benefit corporations, the United States or its agencies,  
11 or any public or private association, corporation, or individual. The term  
12 "cooperative endeavors" shall include but not be limited to cooperative financing,  
13 cooperative development, agreements providing for payments in lieu of taxes, or any  
14 other form of cooperative economic development activity.

15 \* \* \*

16 Section 2. This Act shall take effect and become operative if and when the proposed  
17 amendment of Article VII, Section 21 of the Constitution of Louisiana contained in the Act  
18 which originated as House Bill No. \_\_\_\_\_ of this 2017 Regular Session of the Legislature  
19 is adopted at a statewide election and becomes effective.

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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)]

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HB 445 Engrossed                      2017 Regular Session                      Seabaugh

**Abstract:** Authorizes any local governmental subdivision to enter into a cooperative endeavor agreement that requires payments in lieu of ad valorem taxes imposed by a local taxing authority that is a party to the agreement.

Proposed law authorizes any local governmental subdivision to enter into a cooperative endeavor agreement that provides for payments in lieu of ad valorem taxes imposed by a local taxing authority that is a party to the agreement, subject to the approval of the governing body of the taxing authority as evidenced by the adoption of a resolution for that purpose, or in the case of a sheriff or assessor, other official indicia of approval, for that purpose.

Proposed law provides that any property subject to an agreement shall be exempt from ad valorem taxation during the term of the agreement and as provided in proposed constitutional amendment.

Proposed law provides that administrative provisions concerning the collection of monies due under an agreement shall be the same as those for ad valorem taxes. Further, the validity of an agreement, as well as any transaction contemplated thereby, may be determined by the filing of a suit as provided in R.S. 13:5121, et seq., in the district court having jurisdiction for any party to the agreement in the same manner and as though the agreement constitutes an issuance of bonds by the taxing authority.

Present law provides a definition for "cooperative endeavor agreement" as a form of economic development assistance between and among the state and local governments and other entities.

Proposed law retains present law and adds "agreements providing for payments in lieu of taxes" to the definition of "cooperative endeavor agreement".

Effective if and when House Bill No. \_\_\_\_\_ of this 2017 R.S. is enacted and becomes effective.

(Amends R.S. 33:9021(8) and (10), and 9022(1); Adds R.S. 33:2758.1)