

2020 First Extraordinary Session

HOUSE BILL NO. 28

BY REPRESENTATIVE DWIGHT

TAX/AD VALOREM TAX: Authorizes agreements between political subdivisions and taxpayers that may provide for certain payments in lieu of ad valorem taxes (Item #28)

1 AN ACT  
2 To amend and reenact R.S. 33:9021(8) and (10) and 9022(1) and to enact R.S. 33:2760,  
3 relative to payments in lieu of taxes; to provide for agreements for investments in  
4 political subdivisions authorizing payments in lieu of ad valorem taxes; to provide  
5 for agreements authorizing payments in lieu of ad valorem taxes that may allow for  
6 property tax exemptions; to provide for the authority of political subdivisions; to  
7 provide for ownership and title of property subject to certain agreements; to provide  
8 for definitions; to provide for certain conditions and limitations; and to provide for  
9 related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 33:9021(8) and (10) and 9022(1) are hereby amended and reenacted  
12 and R.S. 33:2760 is hereby enacted to read as follows:

13 §2760. Agreements for strategic investments  
14 A.(1) Pursuant to Article VII, Section 21 of the Constitution of Louisiana,  
15 political subdivisions permitted to levy an ad valorem tax are authorized to  
16 participate in an agreement for strategic investments to maximize parish and local  
17 economies for payments in lieu of taxes.  
18 (2) The governing authority of each political subdivision within a parish  
19 shall meet each year at a public meeting and elect a single governing authority from

1 all political subdivisions authorized to levy ad valorem taxes in the parish, to act as  
2 an agent on behalf of all the political subdivisions for the purpose of executing and  
3 managing agreements for payments in lieu of taxes pursuant this Section.

4 B. The governing authority of a political subdivision authorized to act on  
5 behalf of all political subdivisions levying an ad valorem property tax within a parish  
6 may collect all ad valorem taxes levied within the parish on behalf of the other  
7 political subdivisions pursuant to an agreement for strategic investments to maximize  
8 parish and local economies for payments in lieu of taxes. The agreement shall be  
9 entered into voluntarily by an ad valorem taxpayer and the governing authority  
10 authorized to act as an agent on behalf of the other political subdivisions within the  
11 parish. All political subdivisions authorized to levy an ad valorem tax within the  
12 parish shall be bound to all terms and conditions provided for in the agreement.

13 C. The governing authority authorized to act on behalf of the other political  
14 subdivisions in the parish may grant ad valorem tax exemptions for a term of nine  
15 years in exchange for no greater than two years of ad valorem tax payments within  
16 an agreement for strategic investment maximizing parish and local economies  
17 authorizing payments in lieu of taxes.

18 D. Title or ownership of property subject to an agreement for strategic  
19 investments to maximize parish and local economies authorizing payments in lieu  
20 of ad valorem taxes, as provided by this Section and the Constitution of Louisiana,  
21 shall not be transferred from the owner or the owner's successor during the time the  
22 agreement is in effect.

23 E. For the purposes of this Section, "political subdivision" means a parish,  
24 municipality, and any other unit of local government, including a school board and  
25 a special district authorized to levy and collect an ad valorem property tax.

26 \* \* \*

1 §9021. Findings, declarations of necessity, and purpose

2 It is hereby found and declared that:

3 \* \* \*

4 (8) Public-private partnerships ~~that~~ which take advantage of the special  
5 expertise and experience of representatives of the private sector and other  
6 agreements can be among the most effective programs to encourage and maintain  
7 economic development.

8 \* \* \*

9 (10) It is in the best interest of the state of Louisiana and of its regions,  
10 parishes, and municipalities to encourage, create, and support public-private  
11 partnerships and other agreements and to permit and encourage participation by  
12 representatives of private-sector industries which may benefit from economic  
13 development programs, while providing appropriate protections for the public  
14 interest.

15 §9022. Definitions

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

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

26 \* \* \*

27 Section 2. This Act shall take effect and become operative if and when the proposed  
28 amendment of Article VII, Section 21 of the Constitution of Louisiana contained in the Act  
29 which originated as House Bill No. \_\_\_\_ of this 2020 First Extraordinary Session of the  
30 Legislature 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 28 Original

2020 First Extraordinary Session

Dwight

**Abstract:** Authorizes agreements for strategic investments to maximize parish and local economies authorizing payments in lieu of taxes, between political subdivisions and taxpayers, that may grant ad valorem tax exemptions.

Present constitution authorizes certain parishes, municipalities, school boards, and other special districts to levy an ad valorem property tax.

Present constitution establishes the exclusive list of ad valorem property tax exemptions.

Proposed law authorizes the governing authority of a political subdivision to act on behalf of all political subdivisions levying an ad valorem tax within a parish to enter into an agreement for strategic investments to maximize parish and local economies authorizing payments in lieu of taxes and to collect ad valorem taxes on behalf of the other political subdivisions within the parish.

Proposed law provides the agreement shall be entered into voluntarily by an ad valorem taxpayer and the governing authority of the political subdivision authorized to act on behalf of the other political subdivisions within the parish.

Proposed law provides all political subdivisions within a parish shall meet each year at a public meeting and elect a single governing authority from all political subdivisions authorized to levy ad valorem taxes to act as an agent on behalf of all the political subdivisions.

Proposed law authorizes the authority authorized to act on behalf of the other political subdivisions within the parish to grant future tax credits for up to nine years in exchange for up to two years of ad valorem payments within an agreement authorizing payment in lieu of taxes.

Proposed law provides title or ownership of property subject to an agreement for strategic investments to maximize parish and local economies authorizing payments in lieu of taxes shall remain with the property owner during the time the cooperative endeavor agreement is in effect.

Proposed law defines a political subdivision as a parish, municipality, and any other unit of local government, including a school board or special district authorized to levy an ad valorem property tax.

Present law defines a "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 the constitutional amendment in House Bill No. \_\_\_ of this 2020 First E.S. is adopted statewide and becomes effective.

(Amends R.S. 33:9021(8) and (10) and 9022(1); Adds R.S. 33:2760)