

GREEN SHEET REDIGEST

HB 335

2023 Regular Session

Wilford Carter

ECONOMIC DEVELOPMENT: Creates the North Lake Charles Economic Development District.

DIGEST

Present law provides relative to the creation of the Southside Economic Development District in Monroe, LA. Establishes the district's boundaries and governance.

Present law provides that board of commissioners shall be appointed as follows:

- (1) One member shall be appointed by the mayor.
- (2) Three members shall be appointed by the city council.
- (3) One member shall be appointed by the city council from a list of nominees submitted by the Monroe Chamber of Commerce to the council on or before August 1, 2001.
- (4) Two members shall be appointed by the city council from a list of nominees submitted by the African-American Chamber of Commerce to the council on or before August 1, 2001. The members appointed by the city council as provided in this Subparagraph shall have their principal place of business or profession in, or own property in, the district.

Proposed law retains present law but makes the following changes and additions:

- (1) Changes the referring entity of the two members that are appointed by the city council from the African-American Chamber of Commerce to the Monroe Regional Black Chamber.
- (2) One member shall be appointed by the state senator for District No. 34.
- (3) One member shall be appointed by the state representative for District No. 16.
- (4) One member shall be appointed by the state representative for District No. 17.

Proposed law provides that members appointed pursuant to present law may be removed by a letter to the city council requesting removal. Provides that the city council shall remove such member after a two thirds vote in favor of such removal.

Proposed law provides that members appointed pursuant to proposed law may be removed by notification letter and replaced by the same representative or senator holding the seat of the initial appointment.

Proposed law creates the North Lake Charles Economic Development District as a political subdivision of the state. Provides for district boundaries.

Proposed law specifies the composition and powers of the board responsible for managing the affairs of the district. Provides that a five-member board shall be appointed as follows:

- (1) One member appointed by the Lake Charles City Council.
- (2) One member appointed by the state representative for the House of Representatives district which encompasses all or the greater portion of the area of the district.
- (3) One member appointed by the state senator for the Senate district which encompasses all or the greater portion of the area of the district.

- (4) One member appointed by the governing authority of Calcasieu Parish from a list of three names submitted jointly by the members of the governing authority who represent Dist. Nos. 2, 3, 4, and 9.
- (5) One member appointed by the mayor of the city of Lake Charles.

Provides that members serve three-year staggered terms.

Proposed law requires the board to prepare a plan(s) specifying public improvements, facilities, and services proposed to be furnished, constructed, or acquired which shall be improvements, facilities, and services provided by the city through its agencies, commissions, and instrumentalities, subject to the approval of the Lake Charles City Council.

Proposed law requires the board to conduct hearings and disseminate information as it deems appropriate or advisable. Provides that any plan developed by the board shall include an estimate of the annual and total cost of acquiring, constructing, or providing the services, improvements, or facilities.

Proposed law requires that the board submit the plan to the city planning commission which shall review it for consistency with the comprehensive plan for the city. Requires that the planning commission submit a written opinion on the plan to the city council. Requires that the city council, within 30 days of receipt, submit a written report to the board as to whether the city council has approved the plan.

Proposed law further provides for development of a plan regarding the employment of professional consultants, experts, and advisors. Requires that the services of the district be undertaken through the city's departments and agencies. Authorizes the board to submit the plan directly to the city council. Requires that the council, within 30 days of receipt, submit a written report to the board as to whether the council has approved the plan.

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

- (1) To sue and be sued.
- (2) To adopt, use, and alter at will a corporate seal.
- (3) To acquire by gift, grant, purchase, or lease, all property, including servitudes or rights-of-way.
- (4) To receive by gift, grant, or donation, any sum of money, or property, aid, or assistance from the U.S., the state of LA., or any political subdivision thereof, or any person, firm, or corporation.
- (5) To enter into contracts for the purchase, acquisition, construction, maintenance, and improvement of works and facilities necessary in connection with the purposes of the district.
- (6) To regulate the imposition of fees and rentals charged by the district for its facilities and for services rendered by it.
- (7) To appoint officers, agents, and employees, prescribe their duties, and fix their compensation.

Proposed law provides that the district shall not have any power of expropriation.

Proposed law authorizes the district to levy a sales and use tax, subject to voter approval, and subject to the approval of the Lake Charles City Council. Requires the district to hold any election regarding the levy of the tax on a date provided for in present law relative to gubernatorial or congressional primary elections (R.S. 18:402(A)(1) or (B)(1)). Provides that the tax rate shall not exceed 1%.

Proposed law specifically empowers the district to issue revenue bonds payable from an irrevocable pledge and dedication of up to the full amount of "tax increments" available to an economic development district as provided in proposed law and present law (Part II of Chapter 27 of Title 33) which is derived from any project or projects of the district. Prohibits the use of tax increments without the consent of the particular local governmental subdivision or tax recipient body and without the approval of a majority of the qualified electors of the city of Lake Charles voting in an election conducted in accordance with the general election laws. Requires the district to hold any election regarding the levy of the use tax increments on a date provided for in present law relative to gubernatorial or congressional primary elections (R.S. 18:402(A)(1) or (B)(1)).

Proposed law specifies that a "tax increment" consists of that portion of any tax, excluding a hotel occupancy tax, levied within the district by a local governmental subdivision or other tax recipient body determined and pledged in the manner provided for in present law (Part II of Chapter 27 of Title 33). Provides that if the proceeds of any tax have been expressly dedicated to another purpose set forth in a proposition approved by the electorate of the local governmental subdivision or other tax recipient body, then the tax proceeds shall not be used as a tax increment until a proposition which authorizes such use is submitted to and approved by the electorate.

(Adds R.S. 33:2740.70.3)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Municipal, Parochial and Cultural Affairs to the original bill:

1. Authorize the district to levy a hotel occupancy tax on developments constructed after Aug. 1, 2023, subject to voter approval, and the approval of the Lake Charles City Council. Add requirement that tax funds be pledged to and used to pay revenue bonds issued by the district and for other financing purposes.
2. Add provisions to provide that a "tax increment" also consists of any portion of a hotel occupancy tax levied by the district, and other local governmental subdivisions or other tax recipient bodies on developments constructed after Aug. 1, 2023.

The House Floor Amendments to the engrossed bill:

1. Reduce the membership of the board from seven to five by removing appointments granted to the La. Chamber of Commerce Foundation and the Chamber of Commerce Southwest La.
2. Remove appointment granted to specified members of the governing authority of Calcasieu Parish and instead grants the appointment to the governing authority as a whole which shall appoint one member from nominations submitted jointly by the specified members.
3. Require that the services and capital improvements furnished to the district through the city and its agencies, commissions, and instrumentalities be approved by the Lake Charles City Council.
4. Remove provisions that require the city council to only review but not approve a plan submitted to the council and instead prohibit the board from proceeding with any plan without the approval of the council.
5. Prohibit the board from expending any funds pursuant to a budget that has not been approved by the city council.

6. Remove language "or otherwise" regarding the methods by which the district may acquire or receive property, money, or other assistance. Provide that the district has no expropriation power.
7. Remove the district's authority to require and issue licenses with respect to its properties and facilities.
8. Require the district to hold any election regarding the levy of a sales and use tax or the use of tax increments on a date provided for in present law relative to gubernatorial or congressional primary elections (R.S. 18:402(A)(1) or (B)(1)).
9. Remove the district's authority to levy a hotel occupancy tax and additionally remove the authority granted to the district to receive tax increments from the levy of hotel occupancy taxes.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Local and Municipal Affairs to the reengrossed bill

1. Makes changes to the board of commissioners for the Southside Economic Development District, relative to the city of Monroe.
2. Provides for the removal of board members of the Southside Economic Development District, relative to the city of Monroe.
3. Deletes requirement that an attorney be appointed by the mayor of Lake Charles.
4. Provides that the Lake Charles City Council's recommendation to the board of the district shall be permissive instead of mandatory.
5. Provides that any services furnished within the district shall be optional as it relates to the responsibility of the city of Lake Charles.
6. Makes the acquisition, construction, or providing of any capital improvements and facilities acquired, constructed, or provided within the district permissible as opposed to mandatory as it relates to the city of Lake Charles.