

2026 Regular Session

HOUSE BILL NO. 1181

BY REPRESENTATIVE VENTRELLA

DISTRICTS/TAXING: Provides relative to the creation of and levy of taxes by certain special districts

1 AN ACT

2 To amend and reenact R.S. 33:9038.32(B) and to enact R.S. 33:9038.43, relative to
3 cooperative economic development; to provide relative to economic development
4 districts created for purposes of such development and authorized to engage in tax
5 increment financing; to provide for the boundaries of such districts; to provide
6 relative to the levy of taxes by the districts; to provide relative to the continuation of
7 such taxes; to provide relative to voter approval of tax propositions; and to provide
8 for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 33:9038.32(B) is hereby amended and reenacted and R.S. 33:9038.43
11 is hereby enacted to read as follows:

12 §9038.32. Creation of economic development district

13 * * *

14 B. The ordinance shall designate the boundaries of the district. The
15 boundary of a district shall be a single, contiguous boundary, and no property within
16 that boundary shall be excluded from the district.

17 * * *

18 §9038.43. Voter review of taxes initially levied without election

19 A. The provisions of this Section shall apply to any district created pursuant
20 to this Part that is authorized by law to levy a tax directly upon transactions,

1 property, or activities within the district and that levied such tax at a time when no
2 qualified electors resided within the boundaries of the district. Nothing in this
3 Section shall be construed as legislative approval or ratification of the initial levy of
4 any such tax.

5 B. If at any time after the initial levy of the tax there are thirty or more
6 qualified electors residing within the boundaries of the district, the continuation of
7 the tax shall be subject to approval by the qualified electors of the district upon
8 petition of not less than fifteen percent of the qualified electors residing within the
9 district. The registrar of voters of the parish in which the district is located shall
10 verify and certify the number of qualified electors residing within the district and the
11 sufficiency of the petition.

12 C. Upon certification of a petition meeting the requirements of Subsection
13 B of this Section, the governing authority of the district shall call a special election
14 to submit to the qualified electors of the district the proposition of whether to
15 continue the levy of the tax. The election shall be conducted in the manner provided
16 by the Louisiana Election Code for elections on tax propositions.

17 D. No bonds or other obligations payable in whole or in part from the
18 proceeds of the tax shall be authorized, issued, or incurred after the registrar of
19 voters certifies the sufficiency of a petition pursuant to this Section and prior to the
20 promulgation of the results of the election required herein.

21 E. If a majority of the qualified electors voting in the election approve the
22 proposition, the tax shall continue in effect. If a majority of those voting do not
23 approve the proposition, the levy of the tax shall terminate on the first day of the
24 second calendar month following the promulgation of the results of the election;
25 however, the tax may remain in effect as necessary to retire outstanding bonds or
26 other obligations secured by the proceeds of the tax, but in no event beyond the later
27 of:

28 (1) The full and final payment or defeasance of such bonds or other
29 obligations.

1 (2) The first day of the second calendar month following the promulgation
2 of the election results.

3 F. No bonds or other obligations payable from the proceeds of the tax shall
4 be authorized or issued after the effective date of termination of the tax pursuant to
5 Subsection E of this Section.

6 G. If the qualified electors vote not to continue the tax, no tax pledged to
7 such bonds or obligations shall thereafter be resubmitted to the voters of the district
8 for approval and no new bonds or obligations secured by the proceeds of the tax shall
9 be authorized or issued.

10 H. No more than one election pursuant to this Section shall be held in any
11 twelve-month period.

12 I. Nothing in this Section shall be construed to impair the obligation of
13 outstanding bonds or other obligations secured by the proceeds of the tax.

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)]

HB 1181 Original

2026 Regular Session

Ventrella

Abstract: Provides relative to the taxes authorized to be levied by economic development district authorized to engage in tax increment financing.

Present law (33:9038.32) authorizes a local governmental subdivision to establish, by ordinance, an economic development district for the purpose of cooperative economic development. Provides that the ordinance shall designate the boundaries of the district.

Proposed law retains present law additionally provides that the boundary of a district shall be a single, contiguous boundary, and no property within that boundary shall be excluded from the district.

Present law authorizes economic development districts to engage in ad valorem and sales tax increment financing. Additionally authorizes the districts to the levy up to five mills of ad valorem taxes, up to two percent of sales taxes, or up to two percent of hotel occupancy taxes, or any combination of the taxes, subject to voter approval. Provides however, that if there are no qualified electors in the district, no election shall be required.

Proposed law retains present law but provides for additional procedures regarding the continuation of the levy of such taxes if there were no qualified electors residing in the district prior to the initial levy. Provides that if any time after the initial levy of a tax there are 30 or more qualified electors residing within the boundaries of the district, the continuation of the tax shall be subject to the approval by the qualified electors of the district upon petition of not less than 15% of the qualified electors residing within the district.

Proposed law requires the district's governing authority, upon certification of a petition by the registrar of voters, to call an election to submit to the qualified electors the proposition of whether to continue the levy of the tax.

Proposed law provides that no bonds or other obligations payable from the proceeds of the tax shall be authorized, issued, or incurred after the registrar of voters certifies the sufficiency of a petition and prior to the promulgation of the results of the election.

Proposed law provides that the tax shall continue in effect if a majority of the qualified electors voting in the election approve the proposition. Provides that if the tax is not approved, the tax shall terminate on the first day of the second calendar month following the promulgation of the results of the election. Additionally provides that the tax may remain in effect as necessary to retire outstanding bonds or other obligations secured by the proceeds of the tax, but in no event beyond the later of the full payment or defeasance of the bonds or other obligations or the first day of the second calendar month following the promulgation of the election results.

Proposed law provides that no bonds or other obligations payable from the proceeds of the tax shall be authorized or issued after the effective date of the termination of the tax. Provides that no tax pledged to the bonds or obligations shall be resubmitted to the district's voters for approval if the qualified electors vote not to continue the tax and that no new bonds or obligations secured by the proceeds of the tax shall be authorized or issued. Provides that nothing in proposed law shall be construed to impair the obligation of outstanding bonds or other obligations secured by the tax proceeds.

Proposed law provides that no more than one election shall be held in any 12-month period.

(Amends R.S. 33:9038.32(B); Adds R.S. 33:9038.43)