
DIGEST

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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)