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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Dawn Romero Watson.

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## DIGEST

Brown (SB 297)

Proposed law creates the Cooperative Local Government Infrastructure Act to stimulate a partnership between government and the private sector for business growth in depressed areas of the state through state incentives for private sector funding of local public infrastructure. Provides that proposed law is only applicable to agreements that expressly cite proposed law as authority.

Proposed law authorizes the state and its political subdivisions or political corporations to enter into a cooperative endeavor agreement with a public or private association, corporation, or individual to carry out a local infrastructure project to achieve a public purpose. Requires that any capital improvements be on public property and consistent with the purpose of proposed law.

Proposed law provides that cooperative endeavor agreements may provide for the investment, pledge, use, or deposit of private funds and the guarantee by the public or private association, corporation, or individual of certain financial obligations, to achieve the goals set forth in the agreement. Requires that the agreement state how the availability of the funds or guarantee will result in the furtherance of a public purpose.

Proposed law provides that the cooperative endeavor agreement set forth in reasonable detail the following:

- (1) The obligations of the various parties.
- (2) A showing of reasonable expectations that the benefits to be received by the local government authority equal or exceed any state tax rebates to be awarded.
- (3) Consequences to the public or private association, corporation, or individual in the event of a default or breach of the agreement by the association, corporation, or individual that shall include a repayment to the state, and local governmental entity when appropriate, of any rebates awarded or expenses incurred.

Proposed law requires cooperative endeavor agreements to be submitted to the office of contractual review for approval and provides that the agreements shall not be considered effective until approved by the office. Also, requires the Department of Revenue as a party to the agreement.

Proposed law allows state tax rebates for qualified donations made to a local governmental entity for a qualified project subject to the following limitations:

- (1) A participating donor submits to the chief financial officer designated by the local governmental entity a written report reasonably documenting the cash, equipment, goods, or services donated pursuant to a cooperative endeavor agreement for a qualified project, including supporting documentation as may be deemed necessary by that officer. Prior to the approval of rebates for a qualified donation under the cooperative endeavor agreement, the officer shall verify the value of the qualified donation.
- (2) The local governmental entity may approve a rebate to the donor for the verified qualified donation in an amount equal to one-half of the value of the cash, equipment, goods, or services donated, or five hundred thousand dollars, whichever is less. The total amount of the rebates which may be received by any donor in any fiscal year is limited to \$500,000.
- (3) Upon approval of the rebate, the local governmental entity sends a certification letter to the Department of Revenue for payment of the rebate which provides the name of the donor and the amount of the rebate. The Department of Revenue may require any additional information as may be necessary to effect the payment of the rebate. Requires payment to be made from the current collections of the taxes.

Proposed law provides for definitions of "qualified donation" and "qualified project".

Proposed law authorizes the local governmental entity to promulgate such rules and regulations as may be deemed necessary to carry out the purposes of proposed law.

Proposed law provides that it shall apply to verified qualified donations made after July 1, 2014.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 33:7631-7634)