

Regular Session, 2014

SENATE BILL NO. 648

BY SENATORS DORSEY-COLOMB, AMEDEE, BROOME, BROWN, GALLOT, GUILLORY, HEITMEIER, JOHNS, KOSTELKA, MILLS, NEVERS AND WARD AND REPRESENTATIVES BARRAS, BARROW, CARTER, COX, FOIL, GREENE, HONORE, JAMES, LEGER, PONTI, SCHEXNAYDER, SMITH, ALFRED WILLIAMS AND PATRICK WILLIAMS

SPECIAL DISTRICTS. Creates and provides for the Old LNB Building Redevelopment District in East Baton Rouge Parish. (gov sig)

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AN ACT

To enact R.S. 33:9038.67, relative to cooperative and economic development in East Baton Rouge Parish; to create the Old LNB Building Redevelopment District as a special taxing and tax increment financing district in East Baton Rouge Parish; to provide for the boundaries of the district; to provide for the governance of the district; to provide for the authority, powers, duties, and functions of the governing body; to provide for the levy and collection of taxes within the district; to authorize the district to issue and sell bonds; to authorize the district to engage in tax increment financing; to provide for an effective date; and to provide for related matters.

Notice of intention to introduce this Act has been published.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 33:9038.67 is hereby enacted to read as follows:

**A. Creation. There is hereby created in the city of Baton Rouge, parish of East Baton Rouge, hereinafter referred to as the "city-parish", the Old LNB Building Redevelopment District, a special taxing district, body politic and corporate of the state, referred to in this Section as the "district". The district shall be a political subdivision of the state and the district is hereby granted all**

1 of the rights, powers, privileges and immunities accorded by law and the  
2 Constitution of Louisiana to political subdivisions of the state, subject to the  
3 limitations provided in this Section.

4 B. Boundaries. The district shall be comprised of the following described  
5 parcels or tracts of land located in the city-parish, referred to in this Section as  
6 the "property":

7 PARCEL 1:

8 A certain rectangular lot or parcel of ground, together with all buildings and  
9 improvements thereon, situated in that part of the City of Baton Rouge known  
10 as Gilbert Leonard Town, and designated on the plat thereof as Lot Number  
11 One (1) of Square Number Three (3), or One Hundred Thirteen (113),  
12 according to the official map of the City of Baton Rouge, said square being  
13 bounded on the North by Convention Street, on the East by Fourth Street  
14 (formerly Church Street), on the South by North Boulevard, and on the West  
15 by Third Street, said lot forming the northwest corner of said square and  
16 measuring Sixty-four (64) feet front on the East Side of Third Street by a depth  
17 of One Hundred Twenty-eight (128) feet along the South side of Convention  
18 Street;

19 PARCEL 2:

20 A certain fractional lot or parcel of ground, together with all buildings and  
21 improvements thereon, and all the rights, ways, privileges, servitudes and  
22 appurtenances thereunto belonging or in anywise appertaining, situated in that  
23 subdivision of the Gilbert Leonard Town, East Baton Rouge Parish, Louisiana,  
24 and being the northern portion of Lot No. 2 of Square No. 3 of said subdivision,  
25 or Square No. 113 according to the official map of the said City of Baton Rouge  
26 (said square being bounded by Third, Convention and Fourth (formerly  
27 Church) Streets and North Boulevard), said fractional lot being shown on a plan  
28 of survey made by A.G. Munding, C.E, and Surveyor, dated April 24th, 1936,  
29 a blueprint of which plan is attached to an act of sale passed before B.E.

1        Durrett, Notary Public, on June 30, 1936, recorded in Special Mortgage Book  
2        21, Folio 357, of said Parish. The fractional lot or parcel of ground measures 42  
3        feet 9 inches front on the east side of Third Street by a depth between parallel  
4        lines of 128 feet; being the same property described as follows:  
5        A parcel of land being comprised of Lot 1 and portion of Lot 2, Square Three  
6        (3) or One Hundred Thirteen (113), Gilbert Leonard Town, of the official map  
7        of the City of Baton Rouge, said parcel of land being shown on a plan of survey  
8        made by A.G. Munding, C.E., and Surveyor, dated April 24th, 1936, a  
9        blueprint of which plan is attached to an act of sale passed before B.E. Durrett,  
10       Notary Public on June 30, 1936, recorded in Special Mortgage Book 21, folio  
11       357, said map also recorded in Original 40, Bundle 1005 of the Office of Clerk  
12       and Recorder, East Baton Rouge Parish, Louisiana, containing 0.314 acres,  
13       lying within Section 48, Township 7 South, Range 1 West, Greensburg Land  
14       District of said parish, being more particularly described as follows:  
15       Begin at the northwest corner of Lot 1, Square Three (3) or One Hundred  
16       Thirteen (113) Gilbert Leonard Town, said point being the intersection of the  
17       southerly right of way line of Convention Street (69.33' R/W) and the easterly  
18       right of way line of Third Street (53.33' R/W), the Point of Beginning; thence go  
19       North 87 degrees 59 minutes 28 seconds East along the southerly right of way  
20       line of Convention Street a distance of 128.00 feet to the northeast corner of the  
21       aforsaid Lot 1; thence, departing the aforsaid southerly right of way line, go  
22       South 02 degrees 09 minutes 52 seconds East along the easterly line of the  
23       aforsaid Lot 1, and an extension thereof, a distance of 106.75 feet to the  
24       southeast corner of said parcel; thence go South 87 degrees 59 minutes 28  
25       seconds West along the southerly line, a distance of 128.00 feet to the southwest  
26       corner of the aforsaid parcel, said corner being coincident with the  
27       aforementioned easterly right of way line of Third Street (53.33' R/W); thence  
28       go North 02 degrees 09 minutes 52 seconds West along the aforsaid easterly  
29       right of way line a distance of 106.75 feet to the Point of Beginning;

1 the above described parcel of land lies within Square Three (3) or Square One  
2 Hundred Thirteen (113), Gilbert Leonard Town, of the official map of the City  
3 of Baton Rouge, Section 48, Township 7 South, Range 1 West, Greensburg Land  
4 District, City of Baton Rouge, East Baton Rouge Parish, Louisiana, and contains  
5 0.314 acres more or less; all as more fully shown on that survey prepared by  
6 Sam M. Holladay, III, PLS, dated February 20, 2014, entitled "ALTA/ACSM  
7 Land Title Survey of a Parcel of Land Inclusive of Lot 1, Square No. 3, or 113  
8 and a portion of Lot 2, Square No. 3, or 113, according to the Official Map of  
9 the City of Baton Rouge, lying in Section 48, Township 7 South, Range 1 West,  
10 Greensburg Land District, City of Baton Rouge, East Baton Rouge Parish,  
11 Louisiana for Commercial Properties Realty Trust."

12 C. Purpose. The state hereby acknowledges that the redevelopment of  
13 the property within the district is an important element of the continued  
14 revitalization and economic development of the city-parish. The district is  
15 created to provide for cooperative economic development among the district,  
16 the city-parish, the state and the owners of property in the district, in order to  
17 assist in the redevelopment of, and dramatic improvement to, the property  
18 within the boundaries of the district.

19 D. Governance. (1) In order to provide for the orderly development of  
20 the district and effectuation of the purposes of the district, the district shall be  
21 administered and governed by a board of commissioners, referred to in this  
22 Section as the "board", comprised of three persons as follows:

23 (a) The mayor-president of the city-parish or his designee.

24 (b) The mayor-president pro-tempore of the city-parish or his designee.

25 (c) The council member for Metropolitan Council District No. 10 of the  
26 city-parish or his designee.

27 (2) A majority of the members of the board shall constitute a quorum for  
28 the transaction of business. The board shall keep minutes of all meetings and  
29 shall make them available for inspection through the board's secretary-

1 treasurer. The minute books and archives of the district shall be maintained by  
2 the board's secretary-treasurer. The monies, funds, and accounts of the district  
3 shall be in the official custody of the board.

4 (3) The board shall adopt bylaws and prescribe rules to govern its  
5 meetings. The members of the board shall serve without salary or per diem and  
6 shall be entitled to reimbursement for reasonable, actual, and necessary  
7 expenses incurred in the performance of their duties.

8 (4) The domicile of the board shall be established by the board at a  
9 location within the district.

10 (5) The board shall elect from its own members a president, vice  
11 president, and a secretary-treasurer, whose duties shall be common to such  
12 offices or as may be provided by bylaws adopted by the district. The board  
13 shall hold regular meetings and may hold special meetings as provided in the  
14 bylaws. The failure of the board to hold any regular meeting shall not impair  
15 any existing obligations of the district. All such meetings shall be public  
16 meetings subject to the provisions of R.S. 42:11, et seq.

17 E. Rights and powers. The district, acting by and through its board, shall  
18 be a special taxing district and shall have and exercise all powers of a political  
19 subdivision and special taxing district necessary or convenient for the carrying  
20 out of its objects and purposes including but not limited to the following:

21 (1) To sue and to be sued.

22 (2) To adopt bylaws and rules and regulations.

23 (3) To receive by gift, grant, donation, or otherwise any sum of money,  
24 property, aid, or assistance from the United States, the state of Louisiana, or  
25 any political subdivision thereof, or any person, firm, or corporation.

26 (4) For the public purposes of the district, to enter into one or more  
27 contracts, agreements, or cooperative endeavors with the state and its political  
28 subdivisions or political corporations, the city-parish, the owners of property  
29 in the district, and with any public or private association, corporation, business

1 entity, or person, including but not limited to a cooperative endeavor  
2 agreement, a pledge and collateral assignment agreements, and tax collection  
3 agreement.

4 (5) To appoint officers, agents, and employees, prescribe their duties, and  
5 fix their compensation.

6 (6) To acquire by gift, grant, purchase, lease, or otherwise such property  
7 as may be necessary or desirable for carrying out the objectives and purposes  
8 of the district and to mortgage and sell such property.

9 (7) In its own name and on its own behalf to incur debt and to issue  
10 bonds, notes, certificates, and other evidences of indebtedness, and in the event  
11 the district elects to issue bonds pursuant to the authority under this Section,  
12 then the district shall be deemed and considered to be an issuer for purposes of  
13 R.S. 33:9037, and shall, to the extent not in conflict with this Section, be subject  
14 to the provisions of R.S. 33:9037.

15 (8) To establish such funds or accounts as are necessary for the conduct  
16 of the affairs of the district.

17 (9) To levy and collect the taxes authorized pursuant to this Section.

18 (10) To pledge the district tax collections and other funds and property  
19 as security for the financing or refinancing of any costs incurred or to be  
20 incurred in connection with any project or projects, or parts thereof, within the  
21 boundaries of the district.

22 (11) To enter into one or more agreements to provide for the collection  
23 of the taxes collected within the district and remittance of the taxes to the  
24 appropriate recipients.

25 (12) To exercise any and all of the powers granted to an economic  
26 development district as if the district were an economic development district  
27 established pursuant to Part II of Chapter 27 of Title 33 of the Louisiana  
28 Revised Statutes of 1950, including but not limited to the powers of tax  
29 increment financing pursuant to R.S. 33:9038.33 and 33:9038.34 and the power

1 to levy taxes within the district pursuant to R.S. 33:9038.39, provided that any  
2 such powers exercised by the district shall be subject to the provisions of Part  
3 II of Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950 unless  
4 such provisions are inconsistent with the provisions of this Section, in which  
5 case the provisions of this Section shall control.

6 (13) To exercise any and all of the powers granted to a community  
7 development district as if the district were a community development district  
8 established pursuant to Chapter 27-B of Title 33 of the Louisiana Revised  
9 Statutes of 1950, including but not limited to the power to levy special  
10 assessments on property within the district pursuant to R.S. 33:9039.29,  
11 provided that any such powers exercised by the district shall be subject to the  
12 provisions of Chapter 27-B of Title 33 of the Louisiana Revised Statutes of 1950  
13 unless such provisions are inconsistent with the provisions of this Section, in  
14 which case the provisions of this Section shall control.

15 F. Levy of Taxes. (1) In order to provide funds for the purposes of the  
16 district, the district, acting by and through its board, is hereby authorized to  
17 levy and collect within the district:

18 (a) A tax upon the occupancy of hotel rooms, motel rooms, and overnight  
19 camping facilities.

20 (b) A tax on the sale at retail, the use, the lease or rental, the  
21 consumption and storage for use or consumption of tangible personal property  
22 and on sales of services, all as defined in R.S. 47:301 et seq., or any other  
23 appropriate provision or provisions of law, as amended.

24 (2) The aggregate tax rate upon the occupancy of hotel rooms, motel  
25 rooms, and overnight camping facilities within the district authorized pursuant  
26 to Subparagraph (a) of Paragraph (F)(1) shall be at least equal to the aggregate  
27 rate of all taxes upon the occupancy of hotel rooms, motel rooms, and overnight  
28 camping facilities levied and collected within the city-parish.

29 (3) The aggregate sales tax rate within the district authorized pursuant

1 to Subparagraph (b) of Paragraph (F)(1) shall be at least equal to the aggregate  
2 rate of all such sales taxes levied and collected within the city-parish.

3 (4)(a) The word "hotel" as used in this Section shall mean and include  
4 any establishment, both public and private, engaged in the business of  
5 furnishing or providing rooms and overnight camping facilities intended or  
6 designed for dwelling, lodging, or sleeping purposes to transient guests where  
7 such establishment consists of two or more guest rooms.

8 (b) The occupancy tax shall be paid by the person who exercises or is  
9 entitled to occupancy of the hotel room, and shall be paid at the time the rent  
10 or fee of occupancy is paid.

11 (c) The food and beverage tax shall be paid by the person who pays for  
12 the food and beverages at the point of sale.

13 (d) The word "person" as used in this Section shall have the same  
14 meaning as contained in R.S. 47:301(8).

15 (5) The taxes authorized in this Section shall be imposed by ordinance  
16 adopted by the district, acting by and through its board, without the need of an  
17 election.

18 (6) It is hereby recognized that there are currently no hotel occupancy  
19 or sales taxes generated at the property within the district. Accordingly, if the  
20 district elects to levy and collect any of the taxes authorized in this Section, such  
21 levy shall be deemed to supersede and be in lieu of only such other taxes on  
22 hotel occupancy and sales that, without the authority of this Section, would  
23 otherwise be levied within the district, do not secure bonds that have been  
24 authorized, that have not been dedicated by other law or by proposition  
25 approved by electors voting in an election for such purpose, and that are not  
26 based on a per head or per person basis. Additionally, if, during the term of the  
27 district, such other taxes on hotel occupancy or sales within the district that are  
28 currently not available for use for tax increment financing purposes should  
29 subsequently cease to be authorized to secure bonds, cease to secure bonds that



1 have been authorized, or cease to be dedicated by other law or by proposition  
2 approved by electors voting in an election for such purpose, and thus, become  
3 available for the use of the financing purposes hereunder, then such levy shall  
4 at such time be deemed to supersede and be in lieu of such other taxes on hotel  
5 occupancy or sales within the district and shall be available for use for the  
6 purposes of the district.

7 G. Tax Financing. (1)(a) The district may issue revenue bonds, in one  
8 or more series, payable from an irrevocable pledge and dedication of up to the  
9 full amount of the district's hotel occupancy and sales tax increments and other  
10 district revenues, leases, gifts, proceeds, rents, or other advantages as  
11 authorized by this Section, in an amount to be determined by the district, to  
12 secure any financing or multiple refinancings of any costs incurred or to be  
13 incurred in connection with any project or projects, or parts thereof, within the  
14 boundaries of the district. Additionally, without the necessity of issuing revenue  
15 bonds, the district may pledge up to the full amount of the district's hotel  
16 occupancy and sales tax increments and other district revenues, leases, gifts,  
17 proceeds, rents, or other advantages received or collected under the authority  
18 of this Section to any financing or multiple refinancings of any costs incurred  
19 or to be incurred in connection with any project or projects, or parts thereof,  
20 within the boundaries of the district in furtherance of the purposes of the  
21 district. Such financing may include, but shall not be limited to any loan or  
22 loans, mortgages, the issuance of bonds, or the issuance of certificates of  
23 indebtedness. For each of the designated non-voter elected, pledged or  
24 dedicated hotel occupancy taxes and sales taxes collected within the district, a  
25 tax increment shall consist of that portion of the aggregate of such tax revenues  
26 collected by the district each year which exceeds the amount of such taxes that  
27 were collected in the year immediately prior to the year in which the district  
28 was established.

29 (b) The pledge or dedication of tax increments authorized by this Section

1 to pay indebtedness shall not impair existing obligations of the district and shall  
2 not include tax revenues previously dedicated by the district for a special  
3 purpose.

4 (2) Any instruments or obligations of the district may be validly  
5 executed, issued, sold, and delivered, notwithstanding that one or more of the  
6 officers of the board signing such instruments or obligations, or whose facsimile  
7 signature or signatures may be on the instruments or obligations, shall have  
8 ceased to be such officer of the board at the time such instruments or  
9 obligations shall actually have been delivered.

10 (3) Any cost, obligation, or expense incurred for any of the purposes or  
11 powers of the district specified in this Section shall be a part of the project costs  
12 and may be paid or reimbursed as such out of the proceeds of bonds, tax  
13 increments, property or other obligations of, pledged or issued by the district.

14 (4) The authority granted to the district pursuant to the provisions of this  
15 Section is consistent with and subject to the limitations provided in R.S.  
16 33:9038.42.

17 H. Term. The district shall dissolve and cease to exist one year after the  
18 date on which all loans, bonds, notes, and other evidences of indebtedness  
19 secured, in whole or in part, by district taxes or property are paid in full as to  
20 both principal and interest; provided, however, that under no event shall the  
21 district have an existence of more than fifty years from the date on which the  
22 taxes authorized pursuant to this Section are first levied and collected.

23 I. Contesting ordinance or resolution; time limit. Any ordinance or  
24 resolution adopted by the board, or the pledge of tax increments collected under  
25 the authority of this Section to any financing authorized by this Section may be  
26 published at least once in the official journal of East Baton Rouge Parish. For  
27 thirty days after the date of publication, any person in interest may contest the  
28 legality of the ordinance or resolution and of any provision therein made for the  
29 security and payment of the debt obligation or the levy and collection of such

1        taxes. After that time, no one shall have any cause of action to test the  
 2        regularity, formality, legality, or effectiveness of the ordinance or resolution,  
 3        and provisions thereof for any cause whatever. Thereafter, it shall be  
 4        conclusively presumed that every legal requirement for the levy and collection  
 5        of taxes, the issuance of bonds or other debt obligations, or the pledge of tax  
 6        increment collected, including all things pertaining to the authorizing thereof,  
 7        has been complied with. No court shall have authority to inquire into any of  
 8        these matters after the thirty day period after publication.

9                J. Liberal construction. This Section, being necessary for the welfare of  
 10        the city-parish and its residents, shall be liberally construed to effect the  
 11        purposes thereof.

12                K. Severability. The provisions of this Section are severable. It is  
 13        intended that if any provision of this Section should be adjudged invalid or  
 14        unenforceable, then such provision shall be ineffective to the extent of such  
 15        invalidity or unenforceability without invalidating the remaining provisions of  
 16        this Section. Notwithstanding any provision of this Section to the contrary, if  
 17        any portion of a tax levied or tax increment pledged or dedicated pursuant to  
 18        this Section is held invalid, such invalidity shall not affect the validity of the  
 19        remaining portion of such tax or tax increment.

20        Section 2. This Act shall become effective upon signature by the governor or, if not  
 21        signed by the governor, upon expiration of the time for bills to become law without signature  
 22        by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 23        vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 24        effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part  
 of the legislative instrument, were prepared by Martha S. Hess.

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#### DIGEST

Dorsey-Colomb (SB 648)

Proposed law creates the Old LNB Building Redevelopment District in East Baton Rouge Parish as a special taxing district and political subdivision of the state.

Proposed law provides that the purpose of the district is to provide for cooperative economic development in order to provide for the redevelopment of, and dramatic improvement to, the property within the district located in the city-parish.

Proposed law provides that the district be governed by a three-member board of commissioners. The commissioners shall be:

- (1) The mayor-president of the city-parish or his designee.
- (2) The mayor-president pro-tempore of the city-parish or his designee.
- (3) The council member for Metropolitan Council District No. 10 of the city-parish or his designee.

Proposed law provides that the domicile of the board shall be established by the board at a location within the district. Provides the general rights and powers of the district and its board of commissioners.

Proposed law authorizes the district to levy a tax upon the occupancy of hotel rooms, motel rooms, and overnight camping facilities, and a tax upon the sale at retail, the use, the lease or rental, the consumption and storage for use or consumption of tangible personal property and on sales of services. The tax must be at least equal to the aggregate rate of all taxes upon the occupancy of hotel rooms, motel rooms, and overnight camping facilities levied and collected within the parish of East Baton Rouge. The aggregate sales tax within the district shall be at least equal to the aggregate rate of such sales taxes levied and collected within the parish of East Baton Rouge.

Proposed law authorizes the district to use hotel and sales tax incremental financing or other financing pledging the revenues of the district.

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

(Adds R.S. 33:9038.67)