

# ACT No. 667

Regular Session, 2014

HOUSE BILL NO. 1093

BY REPRESENTATIVE ARNOLD

1 AN ACT

2 To enact R.S. 33:9038.1, relative to tax increment financing of certain development districts;  
3 to authorize such districts to provide for an audit of financial activities, statements,  
4 and records of the municipality in which the district is located and of other local  
5 governmental entities related to tax increment financing from which the development  
6 district receives or should receive funds pursuant to agreements with the  
7 municipality and other local governmental entities; to provide for such audits; to  
8 provide for payment of the cost of such audits; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 33:9038.1 is hereby enacted to read as follows:

11 §9038.1. Tax increment financing; audits authorized

12 A. For purposes of this Section, "development district" means a development  
13 district that meets all of the following criteria:

14 (1) The district was created by law and has a board of commissioners that  
15 is not the governing authority of a parish or municipality.

16 (2) The municipality in which the district is located is authorized to levy  
17 taxes and incur indebtedness for the benefit of the development district.

18 (3) The district receives funds from tax increment financing through  
19 agreements with the municipality in which it is located.

20 B.(1) The governing authority of a development district may provide for an  
21 audit of certain financial activities, statements, and records of the municipality in  
22 which it is located and of other entities as provided in this Section. The governing  
23 authority of a development district may request that the legislative auditor conduct  
24 such audit, in accordance with the provisions of R.S. 24:513, or if the legislative  
25 auditor notifies the development district governing authority that his office will not  
26 perform the audit, the development district governing authority may contract with

1 an auditor approved by the legislative auditor to conduct such audit, in accordance  
2 with the provisions of R.S. 24:513.

3 (2) An audit conducted pursuant to this Section shall include financial  
4 activities, statements, and records of the municipality and of other local  
5 governmental entities related to tax increment financing from which the development  
6 district receives or should receive funds pursuant to agreements with the  
7 municipality and other local governmental entities. The audit report shall be in  
8 compliance with governmental auditing standards and shall call attention to those  
9 matters required by governmental auditing standards and the Louisiana  
10 Governmental Audit Guide, including reportable conditions, failure to comply with  
11 laws and regulations, and such additional matters as may be appropriate. The audit  
12 report shall make specific recommendations for future avoidance together with the  
13 response of the municipality and any other entities audited.

14 C. The governing authority of a development district may provide for an  
15 audit as provided in this Section as often as it deems necessary but not more  
16 frequently than once in a twelve-month period. The development district may use  
17 any funds of the district for payment of the cost of such audit except taxes dedicated  
18 to the payment of bonds or indebtedness.

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

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_