

RÉSUMÉ DIGEST

ACT 464 (SB 257)

2015 Regular Session

Thompson

Prior law created a "The Tax Increment Development Corporation" (TID) in each parish and municipality in the state which may be activated by an ordinance or resolution of the governing authority of the parish or municipality. Provided that the TID is authorized to fund a tax increment development project with ad valorem property tax increments, including the authority to issue indebtedness.

Prior law authorized entities defined as "local governmental subdivisions" to implement ad valorem tax and sales tax increment financing and to issue revenue bonds backed by a pledge of the tax increments to finance all or any part of an "economic development project".

Prior law authorized such "local governmental subdivisions" to enter into a joint venture or cooperative endeavor for a public purpose with a federal, state, or local governmental agency or with a private or public firm, partnership, corporation, or other entity.

Prior law authorized such "local governmental subdivisions" to issue revenue bonds and other bonds and forms of indebtedness.

Prior law authorized such "local governmental subdivisions" to levy an ad valorem tax of up to five mills and two percent of sales tax after the governing authority of the district gives notice and meets in open and public session to hear any objections and the favorable vote of a majority of the electors of the district voting in an election.

Provided that such tax increase may be levied only after the governing authority of the district has called a special election submitting the proposition for the levy of such taxes to the qualified electors of the district and the proposition has received the favorable vote of a majority of the electors voting in the election; however, in the event there are no qualified electors in the district as certified by the registrar of voters, no such election shall be required.

New law defines any Tax Increment Development Corporation (TID) activated in a municipality with a population of not less than 3,300 and not more than 3,395 according to the most recent federal decennial census as an "issuer" and a "local governmental subdivision" for utilization of such TID authority in prior law, but only for the purpose of a specified project described as the financing or refinancing of an economic development project or a tax increment community development project consisting of a combination of residential housing units, a bank, and retail establishments including a grocery store, pharmacy, restaurants, and related facilities.

New law specifically grants to such TID all the ad valorem, sales tax, and occupancy tax increment finance and bonding authority, and the ad valorem and sales tax levy authority granted to "local governmental subdivisions" as described above.

Restricts the powers, authorities, and duties granted to the TID under prior law to a geographically-defined district of no more than 10 acres initiated by the chief executive officer or mayor of a municipality or to a tax increment community development area established by ordinance or resolution of the TID. The TID may pledge any taxes collected under the authority of the new law to the project described in new law in furtherance of the purposes of the TID. Such financing may include but shall not be limited to loans, mortgages, the issuance of bonds, or the issuance of certificates of indebtedness.

New law must be liberally construed to effect its purposes.

Effective upon signature of the governor (July 1, 2015).

(Amends R.S. 33:9038.31(2) and (3); adds R.S. 33:9038.68)