

## RÉSUMÉ DIGEST

**ACT 514 (SB 412)**

**2016 Regular Session**

**Brown**

New law includes any district created pursuant to new law as "issuer" and "local governmental subdivision" under the laws applicable to tax increment financing for local governmental subdivisions.

In new law "city" means any municipality governed by a home rule charter and with a population between 7,000 and 8,000 persons based upon the latest federal decennial census.

New law authorizes the city governing authority to, by ordinance, create a special taxing district and political subdivision of the state, hereinafter referred to as the "district".

Provides that the ordinance creating the district shall establish its boundaries within the city.

Provides that the district is created to provide for cooperative economic development between the district, the city, and the owner or owners of businesses and other property within the district in order to provide for costs related to infrastructure within the district as determined by the board of commissioners of the district.

Provides that the district shall be administered and governed by a board of commissioners as follows:

- (1) The mayor of the city, or his designee.
- (2) The presiding officer of the city council, or his designee.
- (3) The chief executive officer of the local downtown development district, or his designee.
- (4) Any person who is an owner of property within the district, or an authorized representative of an entity which is an owner of property within the district, if such person or authorized representative applies to the board for membership on the board, or that person's or representative's designee.

Provides that a majority of the members of the board shall constitute a quorum for the transaction of business. Requires that the board keep minutes of all meetings and make them available for inspection through the board's secretary. Requires that the minute books and archives of the district be maintained by the board's secretary and that the monies, funds, and accounts of the district be in the official custody of the board.

Requires the board adopt bylaws and prescribe rules to govern its meetings. Provides that the board members serve without salary or per diem but are entitled to reimbursement for reasonable, actual, and necessary expenses incurred in the performance of their duties.

Requires that the board's domicile be established by the board at a location within the city.

Requires that the board elect from its own members a president and secretary, whose duties shall be common to the offices or as may be provided by bylaws adopted by the district. Requires that the board hold regular meetings and may hold special meetings as provided in the bylaws. Provides that all meetings shall be subject to the Open Meetings Law.

Provides that the district, acting by and through its board, shall have and exercise all powers of a political subdivision and a special district necessary or convenient for the carrying out of its objects and purposes including but not limited to the following:

- (1) To sue and to be sued.
- (2) To adopt bylaws and rules and regulations.
- (3) To receive by gift, grant, or donation any sum of money, property, aid or assistance from the United States, the state, or any political subdivision thereof, or any person, firm, or corporation.

- (4) For the public purposes of the district, to enter into contracts, agreements, or cooperative endeavors with the state and its political subdivisions or political corporations and with any public or private association, corporation, business entity, or individual.
- (5) To appoint officers, agents, and employees, prescribe their duties, and fix their compensation.
- (6) To acquire by gift, grant, purchase, or lease but not by expropriation, such property as may be necessary or desirable for carrying out the objectives and purposes of the district and to mortgage and sell such property.
- (7) In its own name and on its own behalf, to incur debt and to issue bonds, notes, certificates, and other evidences of indebtedness. For this purpose the district shall be deemed and considered to be an issuer for purposes of R.S. 33:9037 and shall, to the extent not in conflict with new law, be subject to the provisions of R.S. 33:9037.
- (8) To establish such funds or accounts as are necessary for the conduct of the affairs of the district.
- (9) To do all things reasonably necessary to accomplish the purposes of new law.
- (10) To designate by ordinance any territory within the district as a subdistrict in which shall be exercised, to the exclusion of the remainder of the district, any authority provided to the district.

Provides that to provide for the costs of a project to fund infrastructure within the district, the district shall have such tax increment finance authority, taxing authority, and other authority that is provided to local governmental subdivisions in prior law (Part II of Chapter 27 of Title 33), including but not limited to the following: ad valorem tax increment financing and bonding in R.S. 33:9038.33; sales tax increment financing and bonding in R.S. 33:9038.34; cooperative endeavor authority in R.S. 33:9038.35; bond authority in R.S. 33:9038.38; and ad valorem, sales tax, and hotel occupancy tax authority in R.S. 33:9038.39. Deems the project to fund infrastructure within the district to be an "economic development project" within the meaning provided for in prior law. Provides that an agreement entered into by the district and any affected tax recipient entity authorizing the use and dedication of the affected tax recipient entity's incremental increase in taxes may include additional public or private entities as parties to such agreement and may include such terms, conditions, and other provisions to which all parties to such agreement consent.

Provides that notwithstanding prior law (Part II of Chapter 27 of Title 33) or any other law to the contrary, any powers, authorities, or duties granted under such laws may be restricted to a subdistrict the territory of which shall be established by ordinance of the board of commissioners of the district.

Provides that the district may pledge any taxes collected under the authority of new law to any economic development project in furtherance of the purposes of the district.

New law, notwithstanding any law to the contrary, prohibits the dedication of a state tax increment. Further provides that sales tax increments may not include any sales and use taxes levied by the state, but may be compromised only of sales and use tax levied by the political subdivisions within the district.

Provides that the district shall dissolve and cease to exist one year after the date all bonds, notes, and other evidences of indebtedness of the district, including refunding bonds, are paid in full as to both principal and interest; however, under no event shall the district have an existence of less than three years.

Provides that new law shall be liberally construed.

Effective upon signature of the governor (June 16, 2016).

(Amends R.S. 33:9038.31(2) and (3); adds R.S. 33:9038.70)