

2017 Regular Session

SENATE BILL NO. 208

BY SENATOR WALSWORTH

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

CONTRACTS. Provides relative to certain cooperative endeavor agreements. (gov sig)

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AN ACT

To amend and reenact R.S. 33:9021(8) and (10) and 9022(1), and to enact R.S. 33:2758.1, relative to cooperative endeavor agreements; to authorize tax recipient bodies to enter into a cooperative endeavor agreement providing for payments in lieu of ad valorem taxes; to provide that any party to a cooperative endeavor agreement may use the procedures governing suits to determine the validity of governmental bonds in order to determine the validity of the cooperative endeavor agreement; to provide that the definition of cooperative endeavors shall include cooperative endeavor agreements providing for a payment in lieu of ad valorem taxes; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 33:9021(8) and (10) and 9022(1) are hereby amended and reenacted and R.S. 33: 2758.1 is hereby enacted to read as follows:

**§2758.1. Cooperative endeavor agreements providing for payments in lieu of ad valorem taxes**  
**A. Any tax recipient body of a political subdivision may enter into a cooperative endeavor agreement providing for a payment in lieu of ad valorem**

1 taxes, subject to approval by resolution of such tax recipient body.

2 B. Any property subject to a cooperative endeavor agreement providing  
3 for a payment in lieu of ad valorem taxes shall not be subject to ad valorem  
4 taxation during the term of, and to the extent provided in, the cooperative  
5 endeavor agreement.

6 C. Payment obligations, transferability, collection procedures, including  
7 designation of a collector, and any other matters relating to the payment and  
8 collection of a payment in lieu of ad valorem taxes may be set forth in a  
9 cooperative endeavor agreement as provided in this Section.

10 D. In order to provide a uniform, expeditious, and equitable procedure  
11 to determine the validity of any cooperative endeavor agreement authorized  
12 under this Section and the transactions contemplated thereby, suits to  
13 determine the validity of such cooperative endeavor agreements may be filed as  
14 provided in R.S. 13:5121 through 5130, in the district court having jurisdiction  
15 for any party thereto as though the cooperative endeavor agreement constitutes  
16 the issuance of bonds by a governmental unit.

17 \* \* \*

18 §9021. Findings, declarations of necessity, and purpose

19 It is hereby found and declared that:

20 \* \* \*

21 (8) Public-private partnerships which take advantage of the special expertise  
22 and experience of representatives of the private sector **and other cooperative**  
23 **endeavor agreements** can be among the most effective programs to encourage and  
24 maintain economic development.

25 \* \* \*

26 (10) It is in the best interest of the state of Louisiana and of its regions,  
27 parishes, and municipalities to encourage, create, and support public-private  
28 partnerships **and other cooperative endeavor agreements** and to permit and  
29 encourage participation by representatives of private-sector industries which may

1 benefit from economic development programs, while providing appropriate  
2 protections for the public interest.

3 §9022. Definitions

4 The following terms, whenever used or referred to in this Chapter, shall have  
5 the following meaning unless a different meaning is otherwise clearly indicated in  
6 the context:

7 (1) "Cooperative endeavors" means any form of economic development  
8 assistance between and among the state, its local governmental subdivisions,  
9 political corporations, public benefit corporations, the United States or its agencies,  
10 or any public or private association, corporation, or individual. The term  
11 "cooperative endeavors" shall include but not be limited to cooperative financing,  
12 cooperative development, **agreements providing for payments in lieu of taxes**, or  
13 any other form of cooperative economic development activity.

14 \* \* \*

15 Section 2. This Act shall become effective upon signature by the governor or, if not  
16 signed by the governor, upon expiration of the time for bills to become law without signature  
17 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
18 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
19 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 Hess.

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	DIGEST	
SB 208 Original	2017 Regular Session	Walsworth

Present law provides for the levy of ad valorem taxes by tax recipient bodies. Proposed law authorizes a tax recipient body of a political subdivision to enter into a cooperative endeavor agreement providing for a payment in lieu of ad valorem taxes, subject to the approval by resolution of the tax recipient body.

Proposed law provides that any property subject to a cooperative endeavor agreement providing for a payment in lieu of taxes shall not be subject to ad valorem taxation during the term of, and to the extent provided in, the cooperative endeavor agreement.

Proposed law provides that the cooperative endeavor agreement may include payment obligations, transferability, collection procedures, including designation of a collector, and other matters relating to payment and collection.

Proposed law provides that the laws governing suits to determine the validity of governmental bonds, apply to the payment in lieu of taxation cooperative endeavor agreements, as though such agreements constitute the issuance of bonds of a governmental unit.

Present law defines "cooperative endeavors" to mean any form of economic development assistance between and among the state, its local governmental subdivisions, political corporations, public benefit corporations, the United States or its agencies, or any public or private association, corporation, or individual. "Cooperative endeavors" include cooperative financing, cooperative development or any other form of cooperative economic development activity. Proposed law provides that "cooperative endeavors" shall also include agreements providing for payments in lieu of taxes.

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

(Amends R.S. 33:9021(8) and (10) and 9022(1); adds R.S. 33:2758.1)