
DIGEST

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HB 445 Reengrossed

2017 Regular Session

Seabaugh

Abstract: Authorizes any local taxing authority to enter into a cooperative endeavor agreement with a property owner that requires payments in lieu of ad valorem taxes imposed by that local taxing authority and establishes requirements concerning eligibility and approvals.

Proposed law authorizes any local governmental subdivision or other taxing authority (hereinafter "taxing authority") to enter into a cooperative endeavor agreement that provides for payments in lieu of ad valorem taxes imposed by that taxing authority, subject to the approval of the governing body of the taxing authority as evidenced by the adoption of a resolution for that purpose, or in the case of a sheriff or assessor, other official indicia of approval, for that purpose.

Proposed law requires that a public hearing be held prior to the adoption of a resolution for the approval of a cooperative endeavor agreement pursuant to proposed law. Public notice is required in the form of advertisement in the official journal of the taxing authority, or in the absence of an official journal, its local equivalent, at least once and no later than 14 days prior to the hearing. The public notice shall contain a copy of the draft cooperative endeavor agreement.

Proposed law requires that prior to the public hearing required by proposed law the assessor is to be consulted in connection with the negotiation of the terms of the agreement.

Proposed law provides that any property subject to an agreement shall be exempt from ad valorem taxation during the term of the agreement to the extent as is provided for in the agreement.

Proposed law provides that a cooperative endeavor agreement shall have no application to any ad valorem tax of a taxing authority which is not a party to the agreement.

Proposed law limits eligibility for the exemption to either the property of a manufacturing establishment that qualifies for the industrial tax exemption, or a property that is subject to a cooperative endeavor agreement that has been approved by the Joint Legislative Committee on the Budget (JLCB).

Proposed constitutional amendment further prohibits eligibility for this exemption for a manufacturing establishment that has had a contract for the industrial tax exemption, unless it is within the first two years of the industrial tax exemption contract.

Proposed law requires that in order for a cooperative endeavor agreement to be considered by the JLCB the property owner shall demonstrate that the economic benefit to the state under the

agreement will exceed 20 times the anticipated benefit of the agreement to the property owner, and that the activities of the property owner shall create at least 250 new jobs in the parish where the property is located.

Proposed law adds a requirement that exempt properties be listed on the assessment rolls and information concerning those properties is required to be submitted to the La. Tax Commission.

Proposed law provides that administrative provisions concerning the collection of monies due under an agreement shall be the same as those for ad valorem taxes. Further, the validity of an agreement, as well as any transaction contemplated thereby, may be determined by the filing of a suit as provided in present law, in the district court having jurisdiction for any party to the agreement in the same manner and as though the agreement constitutes an issuance of bonds by the taxing authority.

Present law provides a definition for "cooperative endeavor agreement" as a form of economic development assistance between and among the state and local governments and other entities.

Proposed law retains present law and adds "agreements providing for payments in lieu of taxes" to the definition of "cooperative endeavor agreement".

Effective if and when House Bill No. _____ of this 2017 R.S. is enacted and becomes effective.

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

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Limit eligibility for the exemption to either the property of a manufacturing establishment that qualifies for the industrial tax exemption, or a property that is subject to a cooperative endeavor agreement that has been approved by the JLCB.
2. Prohibit a manufacturing establishment that has a contract for the industrial tax exemption to be eligible for the exemption, unless it is within the first two years of industrial tax exemption contract.
3. Limit the exemption to the amount agreed upon in the cooperative endeavor agreement.
4. Add a requirement that exempt properties be listed on the assessment rolls. Further require information concerning those properties be submitted to the La. Tax Commission.