

2020 Regular Session

HOUSE BILL NO. 850

BY REPRESENTATIVE IVEY

DISTRICTS/TAXING: Provides relative to the creation of and the levy of taxes by certain special districts

1 AN ACT

2 To amend and reenact R.S. 33:9038.32(B), 9038.33(A), and 9038.39 and to enact R.S.
3 33:9038.32.1 and 9038.32.2, relative to cooperative economic development; to
4 provide relative to districts created for purposes of such development and authorized
5 to engage in tax increment financing; to provide for boundaries of such districts; to
6 provide relative to voter approval of propositions; to require certain reports prior to
7 the expenditure of public funds on economic development projects; and to provide
8 for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 33:9038.32(B), 9038.33(A), and 9038.39 are hereby amended and
11 reenacted and R.S. 33:9038.32.1 and 9038.32.2 are hereby enacted to read as follows:

12 §9038.32. Creation of economic development district

13 * * *

14 B. The ordinance shall designate the boundaries of the district. The
15 boundary of a district shall be a single, contiguous boundary and no property within
16 that boundary shall be excluded from the district.

17 * * *

18 §9038.32.1. Election requirements

19 A. If an election is required by this Part but there are no electors who reside
20 within the jurisdiction, the governing authority of the district shall call the election

1 in and submit the proposition to the qualified electors of every precinct that lies, in
2 whole or in part, within the jurisdiction. Passage of the proposition requires approval
3 of a majority of the electors who vote in the election.

4 B. No election shall be called pursuant to this Part unless the parish
5 governing authority has authorized its call if the district is in the unincorporated area
6 of the parish or the municipal governing authority has authorized its call if the
7 district is within a municipality.

8 §9038.32.2. Cost benefit analysis

9 No economic development district created pursuant to this Part shall expend
10 funds to make improvements to private property unless the district provides a report
11 showing that the public benefit expected from the expenditure exceeds the
12 expenditure of public funds. The report shall be discussed and adopted at a public
13 meeting of the governing authority of the district and shall be made available to the
14 public at least thirty days prior to that meeting.

15 §9038.33. Ad valorem tax increment financing

16 A. A local governmental subdivision or, with the consent of a local
17 governmental subdivision expressed by ordinance, any ad valorem tax recipient
18 entity with jurisdictional boundaries coterminous with the local governmental
19 subdivision, an industrial development board defined as an issuer in R.S. 33:9038.31
20 and authorized pursuant to Subsection N of this Section, or a public trust defined as
21 an issuer in R.S. 33:9038.31 and authorized pursuant to Subsection N of this Section,
22 may issue revenue bonds payable from revenues generated by economic
23 development projects with a pledge and dedication of up to the full amount of ad
24 valorem tax increments annually to be used as a guaranty of any shortfall, or at the
25 option of the local governmental subdivision or tax recipient entity, payable directly
26 from an irrevocable pledge and dedication of up to the full amount of ad valorem tax
27 increments, in an amount to be determined by the local governmental subdivision or
28 tax recipient entity, to finance or refinance all or any part of an economic
29 development project as described in this Section and R.S. 33:9038.36. An ad

1 valorem tax increment, as described hereunder, shall consist of that portion of the ad
2 valorem tax revenues for any or all participating tax recipient entities collected each
3 year from property located within an economic development district which exceeds
4 the revenues that would be collected for such tax recipient entities if such property
5 were assessed at its value as of the year immediately prior to the year in which the
6 district was established. Any such revenue bonds shall be issued only after the
7 governing authority of the issuer has adopted an appropriate resolution giving notice
8 of its intention to issue such revenue bonds, which resolution shall include a general
9 description of the revenue bonds to be issued and the security therefor, and notice of
10 this intention shall be published once a week for two weeks in the official journal of
11 the district, the first publication to appear at least fourteen days before the public
12 meeting of the issuer at which the governing authority will meet in open and public
13 session to hear any objections to the proposed issuance of such revenue bonds. The
14 notice of intent so published shall state the date, time, and place of the public
15 hearing. Such revenue bonds may be issued only after the governing authority of the
16 district has called a special election submitting the proposition for the issuance of the
17 bonds to the qualified electors of the economic development district and the
18 proposition has received the favorable vote of a majority of the electors voting in the
19 election; ~~however, in the event that there are no qualified electors in the district as~~
20 ~~certified by the registrar of voters, no election shall be required.~~ No revenue bonds
21 may be issued under this Section if existing ad valorem tax-supported debt of the
22 local governmental subdivision or participating tax recipient entity is in default or,
23 as the result of the issuance of such revenue bonds, will be in default. Pledged ad
24 valorem tax increments may include all incremental increases in ad valorem taxes
25 in an economic development district of all participating tax recipient entities,
26 provided that the notice of intention described above clearly identifies all such
27 incremental increases in ad valorem taxes, that such revenues may be used for such
28 purpose, subject to dedications and limitations provided by other law or by
29 proposition approved by electors voting at an election for such purpose called by the

1 taxing authority levying the tax, unless such use is permitted and upon a prior
2 determination by the local governmental subdivision or other taxing authority that
3 the baseline revenue collection is sufficient to satisfy such dedications and other
4 statutory charges, and provided that all tax recipient entities affected enter into an
5 intergovernmental agreement with the issuer authorizing and dedicating the inclusion
6 of such incremental increase in ad valorem taxes.

7 * * *

8 §9038.39. Levy of ad valorem tax, sales tax, and/or hotel occupancy tax

9 Subject to limitations and prohibitions of the Louisiana Constitution, an
10 economic development district has the power to levy ad valorem taxes, sales taxes,
11 or hotel occupancy taxes within the district up to five mills of ad valorem taxes, up
12 to two percent of sales taxes, or up to two percent of hotel occupancy taxes, or any
13 combination of such taxes, above and in addition to any other ad valorem taxes, sales
14 taxes, or hotel occupancy taxes, or combination of such taxes, then in existence or
15 permitted to be in existence within the district. Any such increase in taxes shall be
16 levied only after the governing authority of the district has adopted an appropriate
17 resolution giving notice of its intention to levy such taxes, which resolution shall
18 include a general description of the taxes to be levied, and notice of this intention
19 shall be published once a week for two weeks in the official journal of the district,
20 the first publication to appear at least fourteen days before the public meeting of the
21 governing authority of the district at which the governing authority will meet in open
22 and public session to hear any objections to the proposed levy of increased taxes.
23 The notice of intent so published shall state the date, time, and place of the public
24 hearing. Such tax increase may be levied only after the governing authority of the
25 district has called a special election submitting the proposition for the levy of such
26 taxes to the qualified electors of the district and the proposition has received the
27 favorable vote of a majority of the electors voting in the election; ~~however, in the~~
28 ~~event there are no qualified electors in the district as certified by the registrar of~~
29 ~~voters, no such election shall be required.~~ The powers and rights conferred by this

1 Section shall be in addition to the powers and rights conferred by any other general
 2 or special law. This Section, and any provisions of this Chapter not inconsistent
 3 therewith, does and shall be construed to provide a complete and additional method
 4 for the levy of any ad valorem tax, sales tax, or hotel occupancy tax or combination
 5 of such taxes. No election, proceeding, notice, or approval shall be required for the
 6 levy of such taxes except as provided herein. The provisions of this Section shall be
 7 liberally construed for the accomplishment of its purposes.

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

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 850 Engrossed

2020 Regular Session

Ivey

Abstract: Provides relative to economic development districts authorized to engage in tax increment financing.

Present law authorizes parishes and municipalities to create economic development districts which have the authority to engage in tax increment financing. Proposed law requires that the boundary of a district be a single, contiguous boundary and provides that no property within that boundary shall be excluded from the district.

Present law authorizes such districts, subject to voter approval, to levy ad valorem, sales, and hotel occupancy taxes. Authorizes, also subject to voter approval, local governments to pledge ad valorem tax increments to the repayment of revenue bonds. Proposed law retains present law.

Present law provides that if there are no voters in the district, no election is required. Proposed law provides that if there are no voters in the district, the governing authority of the district shall call the election in and submit the proposition to the qualified electors of every precinct that lies, in whole or in part, within the jurisdiction.

Proposed law prohibits calling an election pursuant to present law unless the parish governing authority has authorized its call if the district is in the unincorporated area of the parish or the municipal governing authority has authorized its call if the district is within a municipality.

Proposed law prohibits an economic development district from expending funds to make improvements to private property unless the district provides a report showing that the public

benefit expected from the expenditure exceeds the expenditure of public funds. Requires that the report shall be discussed and adopted at a public meeting of the governing authority of the district and shall be made available to the public at least 30 days prior to that meeting.

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

(Amends R.S. 33:9038.32(B), 9038.33(A), and 9038.39; Adds R.S. 33:9038.32.1 and 9038.32.2)