

SENATE BILL NO. 396

BY SENATOR ABRAHAM

1 AN ACT

2 To amend and reenact R.S. 33:9021(8) and (10), and 9022(1) and to enact R.S. 33:2759,
3 relative to ad valorem tax exemptions; to provide for payments in lieu of taxes
4 pursuant to certain cooperative endeavor agreements; to provide relative to
5 procedures for the validity of certain cooperative endeavor agreements; to require
6 cooperative endeavor agreement approval; to provide for limitations and
7 requirements; to provide for definitions; to provide for effectiveness; and to provide
8 for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 33:9021(8) and (10), and 9022(1) are hereby amended and reenacted
11 and R.S. 33:2759 is hereby enacted to read as follows:

12 **§2759. Cooperative endeavor agreements authorizing payments in lieu of ad**
13 **valorem taxes**

14 **A.(1) One or more local governmental subdivisions or any other entities**
15 **having ad valorem taxing authority may enter into a joint or separate**
16 **cooperative endeavor agreement that provides for payments in lieu of ad**
17 **valorem taxes imposed by the taxing authority that is a party to the cooperative**
18 **endeavor agreement, with owners of property eligible for the property tax**
19 **exemption provided for manufacturing establishments as described in Article**
20 **VII, Section 21(F) of the Constitution of Louisiana.**

21 **(2) The cooperative endeavor agreement shall apply only to taxing**
22 **authorities that are parties to the agreement. A nonparticipating taxing**
23 **authority shall not be bound by the agreement and its ad valorem taxes shall**
24 **continue to be billed and collected without regard to the provisions of this**

1 **Section.**

2 **(3) The assessor for the parish where the property subject to the**
3 **proposed cooperative endeavor agreement is located shall be consulted in**
4 **connection with the negotiation of terms of the cooperative endeavor agreement.**

5 **(4) The property owner requesting to participate in payments in lieu of**
6 **taxes shall provide a copy of the proposed cooperative endeavor agreement and**
7 **all other relevant information to the Department of Economic Development for**
8 **review. The property owner shall receive a written summary of the estimated**
9 **direct, indirect, and induced economic impacts of the project from the**
10 **Department of Economic Development prior to scheduling any public hearing.**

11 **(5) Prior to granting approval for a taxing authority to enter into a**
12 **cooperative endeavor agreement, a public hearing shall be conducted by the**
13 **parish and municipal governing authorities, the school board, and the sheriff.**
14 **Notice of the hearing shall be published in the official journal of the applicable**
15 **taxing authority at least once, no later than fourteen days prior to the hearing,**
16 **or if there is no official journal, in a newspaper having general circulation in the**
17 **parish. The notice shall inform the public where a copy of the proposed**
18 **cooperative endeavor agreement may be obtained and the time and place of the**
19 **hearing.**

20 **(6) Prior to a participating taxing authority executing a cooperative**
21 **endeavor agreement for a payment in lieu of taxes, the cooperative endeavor**
22 **agreement shall be approved by the following:**

23 **(a) The parish governing authority representing the parish and all parish**
24 **taxing authorities located outside the boundary of any municipality that**
25 **receives a millage, evidenced by a resolution.**

26 **(b) The school board, evidenced by a resolution.**

27 **(c) The municipal governing authority, representing municipalities and**
28 **all municipal taxing authorities that receive a millage, evidenced by a**
29 **resolution.**

30 **(d) The sheriff, evidenced by a letter.**

1 B. Any property subject to a cooperative endeavor agreement that
2 requires payments in lieu of ad valorem taxes shall be exempt from ad valorem
3 taxation during the term or terms of the cooperative endeavor agreement, and
4 to the extent provided for in the cooperative endeavor agreement, as authorized
5 under Article VII, Section 21(O) of the Constitution of Louisiana. Cooperative
6 endeavor agreements entered into pursuant to this Section shall be for a term
7 of not more than twenty-five years. Any cooperative endeavor agreement
8 entered into that requires payments in lieu of ad valorem taxes may provide for
9 a reduction in ad valorem taxes. All property exempted shall be listed on the
10 assessment rolls and such information shall be submitted to the Louisiana Tax
11 Commission.

12 C. Except as otherwise provided in this Section, property that has been
13 subject to a contract of exemption as provided in Article VII, Section 21(F) of
14 the Constitution of Louisiana shall be ineligible for a cooperative endeavor
15 agreement that requires payments in lieu of ad valorem taxes. Notwithstanding
16 the foregoing, an ad valorem taxing authority may negotiate and enter into a
17 cooperative endeavor agreement with a property owner for payments in lieu of
18 ad valorem taxes during the first four years of a contract of exemption allowed
19 by Article VII, Section 21(F) of the Constitution of Louisiana as set forth in this
20 Section. Any cooperative endeavor agreement negotiated during the first four
21 years of a contract of exemption shall require the property owner to pay an
22 amount specified in the cooperative endeavor agreement to offset the abatement
23 of ad valorem taxes that was permitted during the time the property was subject
24 to a contract of exemption as provided in Article VII, Section 21(F) of the
25 Constitution of Louisiana.

26 D. Payment obligations, transferability, collection procedures that may
27 include the designation of a collector, and any other matters relating to the
28 payment and collection of payments made in lieu of ad valorem taxes shall be
29 set forth in the cooperative endeavor agreement authorized by this Section.

30 E. In order to provide a uniform, expeditious, and equitable procedure

1 to determine the validity of a cooperative endeavor agreement authorized under
 2 this Section, as well as any transaction contemplated thereby, a suit to
 3 determine the validity of an agreement may be filed as provided in R.S. 13:5121
 4 et seq., in the district court having jurisdiction for any party to the agreement
 5 in the same manner and as though the agreement constitutes an issuance of
 6 bonds by the taxing authority.

7 F. As used in this Section, "manufacturing establishment" means a new
 8 plant or establishment or an addition or additions to any existing plant or
 9 establishment that engages in the business of working raw materials into wares
 10 suitable for use or which gives new shapes, qualities, or combinations to matter
 11 that already has gone through some artificial process.

12 * * *

13 §9021. Findings, declarations of necessity, and purpose

14 It is hereby found and declared that:

15 * * *

16 (8) Public-private partnerships ~~that~~ which take advantage of the special
 17 expertise and experience of representatives of the private sector and other
 18 cooperative endeavor agreements can be among the most effective programs to
 19 encourage and maintain economic development.

20 * * *

21 (10) It is in the best interest of the state of Louisiana and of its regions,
 22 parishes, and municipalities to encourage, create, and support public-private
 23 partnerships and other cooperative endeavor agreements and to permit and
 24 encourage participation by representatives of private-sector industries which may
 25 benefit from economic development programs, while providing appropriate
 26 protections for the public interest.

27 §9022. Definitions

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

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

* * *

9 Section 2. This Act shall take effect and become operative if and when the proposed
 10 amendment of Article VII, Section 21 of the Constitution of Louisiana contained in the Act
 11 which originated as Senate Bill No. 272 of this 2020 Regular Session of the Legislature is
 12 adopted at a statewide election and becomes effective.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____