

2020 First Extraordinary Session

HOUSE BILL NO. 50

BY REPRESENTATIVE IVEY

TAX/AD VALOREM TAX: Authorizes local taxing authorities to enter into cooperative endeavor agreements that provide for payments in lieu of taxes (Item #28)

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 payments in lieu of ad valorem taxes; to authorize local ad valorem taxing  
4 authorities to enter into cooperative endeavor agreements that provide for payments  
5 in lieu of taxes for certain properties; to provide for local advisory committees for  
6 each parish; to provide for the authority, membership, and responsibilities of the  
7 local advisory committees; to provide for certain processes; to provide for certain  
8 definitions; to provide for certain requirements and limitations; and to provide for  
9 related matters.

10 Be it enacted by the Legislature of Louisiana:

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

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

15 A. For the public purpose of promoting and encouraging economic  
16 development within any parish, one or more local governmental subdivisions or any  
17 other entities having taxing authority within the parish may execute a joint or  
18 separate cooperative endeavor agreement with any owner of non-residential  
19 immovable property located within the parish, which will provide for negotiated

1 payments in lieu of ad valorem taxes, subject to the authority granted pursuant to  
2 Article VII, Section 21(O) of the Louisiana Constitution and this Section.

3 B.(1) Cooperative endeavor agreements may be executed by any local  
4 governmental subdivision or subdivisions or other taxing authorities, hereinafter  
5 referred to as a "taxing authority", only after approval by the taxing authority as  
6 evidenced by a resolution adopted by the taxing authority, for itself and all districts  
7 and subunits created by it respectively, or by resolution of any other statutory taxing  
8 authorities or by letter of approval of the sheriff approving the form and terms of the  
9 agreement.

10 (2) A public hearing shall be conducted by a taxing authority before adoption  
11 of any resolution approving a cooperative endeavor agreement providing for  
12 payments in lieu of taxes. Notice of the hearing and the proposed resolution shall be  
13 published in the official journal of the applicable taxing authority at least once, no  
14 later than fourteen days prior to the hearing, or if there is no official journal of the  
15 taxing authority, in the official journal of the parish where the non-residential  
16 immovable property is located. The notice shall inform the public where a copy of  
17 the proposed cooperative endeavor agreement may be obtained and the time and  
18 place of the hearing.

19 (3) The cooperative endeavor agreement shall only apply to those taxing  
20 authorities that are parties to the agreement. Any non-participating taxing authority  
21 shall not be bound by the agreement and its ad valorem taxes shall continue to be  
22 billed and collected without regard to the provisions of this Section.

23 C. (1) If otherwise authorized by law, a majority of the taxing authorities  
24 within a parish may form a standing advisory committee. If formed, the committee  
25 shall be referred to as the "PILOT Advisory Committee" for the parish and shall  
26 evaluate and advise taxing authorities with respect to the following:

27 (a) Any payment in lieu of taxes cooperative endeavor agreement authorized  
28 pursuant to this Section as proposed by any taxing authority within such parish.

29 (b) The proposed terms of any related cooperative endeavor agreement.

1           (2) Each PILOT Advisory Committee shall be comprised of the following  
2           members:

3           (a) The parish president or mayor-president for the parish or their designee.

4           (b) The parish sheriff or the sheriff's designee.

5           (c) The school board president or the school board president's designee.

6           (d) The assessor for the parish or the assessor's designee.

7           (e) Three residents of the parish appointed at-large by the parish president,  
8           provided, if all or a portion of the property referenced in Subsection A of this Section  
9           is located within the incorporated limits of any city or town, one of the at-large  
10           appointments may include the mayor of the city or town, or the mayor's designee.  
11           The owner of property subject to a cooperative endeavor agreement shall not be one  
12           of the at-large members.

13           (3) Each PILOT Advisory Committee may establish its own processes,  
14           procedures, and criteria to evaluate and advise taxing authorities, subject to the other  
15           terms of this Subsection regarding any proposed stipulated tax payment and related  
16           cooperative endeavor agreement.

17           (4) Each taxing authority that is considering executing a cooperative  
18           endeavor agreement providing for payments in lieu of taxes shall submit a request  
19           to the PILOT Advisory Committee for advice and consideration before entering into  
20           the agreement. The PILOT Advisory Committee shall provide any findings and  
21           advice to the taxing authority within thirty days from the date the request is received.

22           (5) The evaluation findings and advice of the PILOT Advisory Committee  
23           shall not be binding on any taxing authority.

24           (6) If a PILOT Advisory Committee is not established in a parish, taxing  
25           authorities may negotiate cooperative endeavor agreements providing for payments  
26           in lieu of taxes with taxpayers and other taxing authorities as permitted by law.

27           D. Any property subject to a cooperative endeavor agreement that provides  
28           for a payments in lieu of taxes shall remain on the assessment rolls for the parish or  
29           parishes where the property is located, provided, however, the ad valorem tax related

1 to the property's assessment shall be reflected as the amount negotiated by the taxing  
2 authorities as authorized by Article VII, Section 21(O) of the Louisiana Constitution  
3 and the terms of this Section.

4 E. Payment obligations, transferability, collection procedures, which may  
5 include the designation of a collector, and any other matters relating to the payment  
6 and collection of payment shall be set forth in the cooperative endeavor agreement.

7 F. In order to provide a uniform, expeditious, and equitable procedure to  
8 determine the validity of a cooperative endeavor agreement authorized under this  
9 Section, as well as any transaction contemplated in the agreement, a suit to determine  
10 the validity of the agreement may be filed as provided in R.S. 13:5121, et seq., in the  
11 district court having jurisdiction for any party to the agreement in the same manner  
12 and as though the agreement constitutes an issuance of bonds by the taxing authority.

13 \* \* \*

14 §9021. Findings, declarations of necessity, and purpose

15 It is hereby found and declared that:

16 (8) Public-private partnerships which take advantage of the special expertise  
17 and experience of representatives of the private sector and other cooperative  
18 endeavor agreements can be among the most effective programs to encourage and  
19 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 encourage  
24 participation by representatives of private-sector industries which may benefit from  
25 economic development programs, while providing appropriate protections for the  
26 public interest.

27 \* \* \*

1 §9022. Definitions

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

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

12 \* \* \*

13 Section 2. This Act shall take effect and become operative if and when the proposed  
14 amendment of Article VII, Section 21(O) of the Constitution of Louisiana contained in the  
15 Act which originated as House Bill No. 38 of this 2020 First Extraordinary Session of the  
16 Legislature is adopted at a statewide election and becomes effective.

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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)]

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HB 50 Original                      2020 First Extraordinary Session                      Ivey

**Abstract:** Authorizes local governmental subdivisions to enter into cooperative endeavor agreements that provide for payments in lieu of ad valorem taxes with owners of non-residential immovable property.

Present constitution authorizes the imposition of ad valorem property taxes by local governments, school boards, and other special districts.

Present constitution establishes a list of exclusive ad valorem tax exemptions.

Proposed law authorizes local governmental subdivisions to enter into cooperative endeavor agreements for payments in lieu of ad valorem taxes with an owner of non-residential immovable property located within the parish.

Proposed law provides that cooperative endeavor agreements may be entered into by any local taxing authority after approval as evidenced by a resolution adopted by the taxing authority or by letter of approval of the sheriff.

Proposed law requires that a public hearing be conducted by a taxing authority before adoption of any resolution approving a cooperative endeavor agreement providing for payments in lieu of taxes.

Proposed law requires notice of the hearing be published no later than fourteen days prior to the hearing to inform the public where a copy of the proposed cooperative endeavor agreement may be obtained and the time and place of the hearing.

Proposed law provides that any cooperative endeavor agreement only apply to the taxing authorities that are parties to the agreement and that nonparticipating taxing authority are not bound by the agreement.

Proposed law authorizes taxing authorities in a parish to form a standing PILOT advisory committee for the parish that will advise taxing authorities on proposed terms of any cooperative endeavor agreement for payments in lieu of taxes.

Proposed law provides that the parish standing advisory committee shall include the following members:

- (1) The parish president or mayor-president for the parish or their designee.
- (2) The sheriff or the sheriff's designee.
- (3) The school board president or the school board president's designee.
- (4) The assessor for the parish or the assessor's designee.
- (5) Three residents of the parish appointed at-large by the parish president.

Proposed law authorizes each parish standing advisory committee to establish its own processes, procedures, and criteria to evaluate proposed cooperative endeavor agreements for payments in lieu of taxes.

Proposed law provides that before entering into a cooperative endeavor agreement providing for payments in lieu of taxes, a taxing authority shall submit a request to the parish standing advisory committee which shall respond to the taxing authority within 30 days from the date the request is received and that the findings and advice of the advisory committee are not binding.

Proposed law provides that if no advisory committee is established in a parish, taxing authorities may negotiate cooperative endeavor agreements as permitted by law.

Proposed law requires that any property subject to a cooperative endeavor agreement that provides for payments in lieu of taxes remain on the assessment rolls for the parish or parishes where the property is located.

Proposed law provides that matters relating to the payment and collection of payments in lieu of taxes shall be set forth in the cooperative endeavor agreement.

Proposed law authorizes the filing of a suit to determine the validity of a cooperative endeavor agreement entered into pursuant to proposed law in the district court having jurisdiction for any party to the agreement.

Effective if and when the proposed addition of Article VII, Section 21(O) of the Constitution of Louisiana contained in the Act which originated as HB No. 38 of the 2020 First E.S. is adopted at the statewide election to be held on November 3, 2020, and becomes effective.

(Amends R.S. 33:9021(8) and (10), and 9022(1); Adds R.S. 33:2759)