HLS 21RS-752 ORIGINAL

2021 Regular Session

HOUSE BILL NO. 377

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BY REPRESENTATIVE IVEY

TAX/AD VALOREM-EXEMPTION: Authorizes local taxing authorities to enter into cooperative endeavor agreements that provide for payments in lieu of taxes

AN ACT

2 To amend and reenact R.S. 33:9022(2) and to enact R.S. 33:2759, relative to payments in 3 lieu of ad valorem taxes; to authorize local ad valorem taxing authorities to enter into 4 cooperative endeavor agreements that provide for payments in lieu of taxes; to 5 provide for the terms of the cooperative endeavor agreement; to provide for the calculation of an abatement; to provide for an approval process; to provide for 6 certain processes; to provide for certain definitions; to provide for certain 7 8 requirements and limitations; and to provide for related matters. 9 Be it enacted by the Legislature of Louisiana: 10 Section 1. R.S. 33:9022(2) is hereby amended and reenacted and R.S. 33:2759 is 11 hereby enacted to read as follows: 12 §2759. Cooperative endeavor agreements authorizing payments in lieu of ad 13 valorem taxes A. For the public purpose of supporting and encouraging economic 14 15 development within any parish by addressing infrastructure needs and providing a fiscal impact through economic development projects, one or more local 16 17 governmental subdivisions or any other entities having taxing authority within the 18 parish may execute a joint or separate cooperative endeavor agreement with any 19 owner of non-residential immovable property located within the parish. The 20 agreement shall provide for negotiated payments in lieu of ad valorem taxes in the

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2	Section 21(O) of the Constitution of Louisiana and this Section.
3	B.(1) The terms for a cooperative endeavor agreement providing for
4	payments in lieu of taxes shall be limited to advance cash payments in exchange for
5	an abatement which shall be used to offset future tax liability as provided in the
6	cooperative endeavor agreement. The abatement shall equal the amount of the
7	advance cash payment plus the calculated amortized accrued interest. The interest
8	rate shall equal an amount not to exceed the judicial interest rate as provided in R.S.
9	13:4202 plus two percent. The cooperative endeavor agreement shall include the
10	abatement schedule. Within ten days of the execution of the agreement, a copy of
11	the agreement shall be submitted to the assessor.
12	(2) Cooperative endeavor agreements may be executed by any local
13	governmental subdivision or subdivisions or other taxing authorities only after
14	approval by the taxing authority evidenced by a resolution adopted by the taxing
15	authority, for itself and all districts and subunits created by it respectively, or by
16	resolution of any other statutory taxing authorities or by letter of approval of the
17	sheriff approving the form and terms of the agreement.
18	(3) A public hearing shall be conducted by a taxing authority before adoption
19	of any resolution approving a cooperative endeavor agreement providing for
20	payments in lieu of taxes. Notice of the hearing and the proposed resolution shall be
21	published in the official journal of the applicable taxing authority at least once, no
22	later than fourteen days prior to the hearing, or if there is no official journal of the
23	taxing authority, in the official journal of the parish where the non-residential
24	immovable property is located. The notice shall inform the public where a copy of
25	the proposed cooperative endeavor agreement may be obtained and the time and
26	place of the hearing.
27	(4) The cooperative endeavor agreement shall apply only to those taxing
28	authorities that are parties to the agreement. Any non-participating taxing authority

form of an abatement, subject to the authority granted pursuant to Article VII,

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2	billed and collected without regard to the provisions of this Section.
3	(5) Any taxing authority that is considering executing a cooperative
4	endeavor agreement providing for payments in lieu of taxes may submit a request to
5	the Department of Economic Development, hereinafter referred to as the
6	"department", for advice and consideration before entering into the agreement. Upon
7	request, the department shall provide any findings and advice to the taxing authority
8	within thirty days from the date the request is received. The evaluation findings and
9	advice provided by the department shall not be binding on any taxing authority.
10	C. Any property subject to a cooperative endeavor agreement that provides
11	for payments in lieu of taxes shall remain on the assessment rolls for the parish or
12	parishes where the property is located. The assessor shall record the abatement
13	schedule and provide for the application of the abatement to future property tax
14	liabilities as provided for in the cooperative endeavor agreement.
15	D. Payment obligations, transferability, collection procedures, which may
16	include the designation of a collector, and any other matters relating to the payment
17	and collection of payment shall be set forth in the cooperative endeavor agreement.
18	* * *
19	§9022. Definitions
20	The following terms, whenever used or referred to in this Chapter, shall have
21	the following meaning unless a different meaning is otherwise clearly indicated in
22	the context:
23	* * *
24	(2) "Cooperative endeavors" means any form of economic development
25	assistance between and among the state, its local governmental subdivisions,
26	political corporations, public benefit corporations, the United States or its agencies,
27	or any public or private association, corporation, or individual. The term
28	"cooperative endeavors" shall include but not be limited to cooperative financing,

shall not be bound by the agreement and its ad valorem taxes shall continue to be

cooperative development, agreements providing for payments in lieu of taxes, or any other form of cooperative economic development activity.

* * *

Section 2. This Act shall take effect and become operative if and when the proposed amendment of Article VII, Section 21(O) of the Constitution of Louisiana contained in the Act which originated as House Bill No. ___of this 2021 Regular Session of the Legislature is adopted at a statewide election and becomes effective.

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 377 Original

2021 Regular Session

Ivev

Abstract: Authorizes local taxing authorities to enter into cooperative endeavor agreements that provide for payments in lieu of ad valorem taxes in the form of an abatement with owners of non-residential immovable property.

<u>Present constitution</u> 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.

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

<u>Proposed law</u> provides the terms of the cooperative endeavor agreement shall be limited to advance cash payments in exchange for an abatement which shall be used to offset future tax liability as provided for in the agreement.

<u>Proposed law</u> provides the abatement shall be equal to the amount of the cash advance payment plus the calculated amortized accrued interest. <u>Proposed law</u> further provides the interest rate shall not exceed the judicial interest rate as provided in <u>present law</u> (R.S. 13:4202) plus two percent.

<u>Proposed law</u> provides the cooperative endeavor agreement shall include the abatement schedule and a copy shall be submitted to the assessor within 10 days of the execution of the cooperative endeavor agreement.

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

<u>Proposed law</u> 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.

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<u>Proposed law</u> requires notice of the hearing to be published no later than 14 days prior to the hearing. The notice shall inform the public where a copy of the proposed cooperative endeavor agreement may be obtained and the time and place of the hearing.

<u>Proposed law</u> provides that a cooperative endeavor agreement applies only to the taxing authorities that are parties to the agreement and that nonparticipating taxing authorities are not bound by the agreement.

<u>Proposed law</u> 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 Dept. of Economic Development (department) 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 department are not binding.

<u>Proposed law</u> 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.

<u>Proposed law</u> requires the assessor to record the abatement schedule and provide for the application of the abatement to future property tax liabilities as provided for in the cooperative endeavor agreements.

<u>Proposed law</u> provides that matters relating to the payment and collection of payments in lieu of taxes shall be set forth in the cooperative endeavor 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. __ of the 2021 R.S. is adopted at the statewide election to be held on Nov. 8, 2022, and becomes effective.

(Amends R.S. 33:9022(2); Adds R.S. 33:2759)