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## DIGEST

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HB 377 Original

2021 Regular Session

Ivey

**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.

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 in the form of an abatement with an owner of non-residential immovable property located within the parish.

Proposed law 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.

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

Proposed law 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.

Proposed law 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.

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 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.

Proposed law 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.

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 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.

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 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.

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.

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)