The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Martha S. Hess.

DIGEST

SB 226 Original

2021 Regular Session

White

<u>Proposed law</u> sets forth legislative findings and determinations relative to the Hurricane and Storm Damage Risk Reduction System (Risk Reduction System) which cost approximately \$14 billion of which the state is contractually obligated to pay approximately \$3.27 billion over a 30-year term. Further, Congress has authorized a forgiveness of the interest owed by the state provided the state makes an initial principal payment of \$400 million prior to September 30, 2021, with the remaining principal to be paid by September 30, 2023, which if exercised, would save the state at least \$1 billion.

<u>Proposed law</u> sets forth additional findings and determinations that the state could issue general obligation bonds in order to take advantage of the Congressional proposal, however, that could affect the amount of general obligation bonds to be issued to meet the capital outlay needs of the state and political subdivisions of the state and may affect the state's debt limit.

<u>Proposed law</u> creates a special district to be known as the Southeast Louisiana Taxing District as a body politic and corporate and a political subdivision of the state with all the powers of a political subdivision and such other powers and functions as set forth in <u>proposed law</u>.

<u>Proposed law</u> provides that the district shall be composed of those contiguous parishes which have the following populations, according to the latest U.S. Census, as follows:

Between 23,000 and 23,400.

Between 35,700 and 39,000.

Between 52,500 and 54,500.

Between 300,000 and 400,000.

Between 400,000 and 435,000.

<u>Proposed law</u> provides that the district shall be governed by a board of directors of eleven members composed of:

- (1) The president of the Senate and the speaker of the House of Representatives, or their designees, who shall be ex officio members of the board with full right to participate in and vote on all matters.
- (2) The state treasurer.

- (3) The secretary of the Department of Revenue, or the designee of the secretary.
- (4) Five members appointed by the governor, one from each of the five parishes which are included in the district.
- (5) Two residents of the state at large selected on the basis of their experience in financial matters and their stature and ability to act effectively for the best interests of the district and the state.

<u>Proposed law</u> provides for the selection of officers, the adoption of bylaws and rules, and the establishment of quorums. <u>Proposed law</u> provides that the domicile of the district shall be in Baton Rouge.

<u>Proposed law</u> provides that the members of the board shall serve without salary or per diem, but shall be entitled to reimbursement for actual and necessary expense incurred in the performance of official duties, but such expenses shall not exceed the rate of expense reimbursement allowed to state employees.

<u>Proposed law</u> provides for the powers of the district which includes to levy and collect a sales and use tax not to exceed one percent within the district. The sales and use tax shall be imposed by ordinance of the district without the need of an election and shall be levied upon the sale at retail, the use, lease or rental, the consumption, and the storage for use or consumption of tangible personal property, and on sales of service, all as defined in Chapter 2 of Subtitle II of Title 47 of the Louisiana Revised Statute of 1950 in the district.

<u>Proposed law</u> provides that the sales tax shall be in addition to all other authorized sales and use taxes and shall be collected at the same time and in the same manner as set forth in <u>present law</u>. Any sales and use tax levied by the district shall be excluded from the calculation of total sales and use taxes levied within an area for the purposes of <u>present law</u>. <u>Proposed law</u> states that the tax shall be imposed and collected uniformly throughout the district and that the district may contract with the state for the collection of said sales and use taxes. <u>Proposed law</u> prohibits the district from funding the sales tax revenues into bonds.

<u>Proposed law</u> provides that <u>proposed law</u> shall be null, void, and without effect, and the district shall cease existence, and any sales and use taxes levied by the district shall expire at such time that all bonds issued by the state to pay the USACE for the state's share of the costs of the Risk Recovery System are paid in full; provided, however, that any delinquent taxes that are paid after the expiration of the district shall be used for the payment of state debt service on general obligation bonds.

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

(Adds R.S. 39:1151-1159)