

## RÉSUMÉ DIGEST

ACT 203 (SB 70)

2023 Regular Session

Fields

New law provides for the creation of an economic development district that includes property owned by SU and LSU. The purpose of such a district is to provide for cooperative economic and community development among the district, the colleges, the parish or municipal governing authority, the state, and the owners of property in the district. The parish or municipal governing authority shall establish the boundaries of a district in the ordinance creating it; such boundaries may be changed and are not required to be contiguous.

New law provides that such a district is governed by a board of commissioners, comprised as follows:

- (1) The highest executive officer of the college.
- (2) Four persons appointed by the highest executive officer of the college.

New law provides that two of the members of the board shall be representatives from business within the district.

New law provides that commissioners serve five-year terms, with vacancies filled in the manner of the original appointment. Provides that the president shall serve as long as he is president of the university. Two members shall serve an initial term of two years, and two members shall serve an initial term of three years, as determined by lot at the first meeting of the board. However, if an appointment to fill a vacancy is not made within 60 days, the board shall appoint an interim successor to serve until the position is filled by the appointing authority. Authorizes removal of a commissioner for cause by a 3/4 vote of the board. Provides that commissioners serve without compensation but authorizes reimbursement of expenses.

New law provides that the official journal of such a district is the official journal of the parish where the domicile of the board is located. Provides that a district created pursuant to new law is a political subdivision of the state and has the powers of a political subdivision. Provides that such powers include the power:

- (1) To develop public improvement projects for the benefit of the respective college, either directly with the respective college or through one or more private foundations or nonprofit corporations affiliated with the respective college, or both.
- (2) To exercise the powers granted to an economic development district established pursuant to existing law. (Existing law authorizes such a district to utilize tax increment financing. Further authorizes a district to levy ad valorem taxes up to five mills, sales taxes up to 2%, and hotel occupancy taxes up to 2%, all subject to voter approval unless there are no voters in the district.)
- (3) To exercise the powers granted to a community development district established pursuant existing law. (Existing law authorizes such a district to finance, construct, and operate various public facilities and authorizes the levy of special property assessments, based on proportionate benefit from the facility, to fund such activities.)

New law provides procedures for the levy of any tax or assessment, including a requirement for voter approval unless there are no voters in the district. If a district is expanded to include an area where qualified electors reside, new law prohibits collection of a tax in the added area unless the qualified electors of that added area approve the tax.

New law authorizes such a district to create subdistricts which are governed by the board of commissioners and have the same powers as the district.

New law provides that each college economic development district and any subdistrict created by such college district, and the governing board of commissioners for such district and subdistrict shall not have any power, authority or right to levy taxes, assessment or fees of any type or form on any property in any area within such district or subdistrict that is used or operated now or in the future for any industrial use, "industrial properties", as defined by

new law. Further provides that the district or subdistrict shall adopt rules and regulations for the implementation and issuance of certificates of exclusion.

New law provides that each college economic development district and any subdistrict created by such college district may be the recipient of a sales or use tax increment which consist of that portion of the designated incremental sales or use tax collected each year on the sale at retail, the use, the lease or rental, the consumption and storage for use or consumption of tangible personal property, and on sales of services.

New law provides that the sales or use tax increment may include hotel occupancy taxes, occupancy taxes, or similar taxes, or any combination of such taxes, levied upon the use or occupancy of hotel rooms if so designated by the city of Baton Rouge, parish of East Baton Rouge as the tax recipient entity, from taxpayers located within a college economic development district and subdistrict which exceeds the designated sales or use tax revenues and hotel occupancy taxes, occupancy taxes, or similar taxes so designated that were collected in the year immediately prior to the year in which the college economic development district and any subdistrict was established.

New law authorizes the district to issue bonds and to otherwise incur debt. Provides requirements and procedures therefor.

New law provides that such a district shall dissolve and cease to exist upon the later to occur of either one year after the date on which all debt of the district is paid in full or 50 years from the creation of the district.

Effective June 8, 2023.

(Adds R.S. 33:9038.75)