

RÉSUMÉ DIGEST

ACT 212 (SB 229)

2023 Regular Session

Duplessis

Existing law provides for the boundaries of the New Orleans Exhibition Hall Authority Economic Growth and Development District.

New law expands those boundaries.

New law provides that any property that is acquired or owned by the district or any subdistrict is hereby declared to be public property used for public purposes and shall be exempt from all ad valorem taxes. Any improvements, other than those improvements owned by the district, shall be subject to all ad valorem taxes, or, in the alternative, a payment in lieu of taxes. Subject to prior review by the New Orleans City Council of an economic development project with a payment in lieu of taxes, the district or any subdistrict may designate property it acquires or owns to be an "economic development project" that may be leased to a lessee subject to the lessee making payments to the tax collector for the city of New Orleans in an annual sum in lieu of ad valorem taxes to compensate the city of New Orleans for any services rendered to such economic development project; provided further that the annual sum, together with any fees and charges to be paid by such lessee, shall not be in excess of the ad valorem taxes such lessee would have been obligated to pay in such year had such property been owned by the lessee during the period for which such payment in lieu of taxes is made.

New law provides that such payments to be made in lieu of taxes, together with any fees and charges of the district or any subdistrict, shall constitute statutory impositions within the meaning of existing law (R.S. 47:2128).

New law provides that prior to entering into a payment in lieu of tax agreement, the district or any subdistrict, acting by and through the board, shall provide the city council with the payment in lieu of tax proposal for property designated an economic development project serving the public purposes of the district or subdistrict, which proposal shall consist of the following:

- (1) The term of the payment in lieu of tax proposal evidenced in a payment in lieu of tax agreement.
- (2) The annual amount of the payment in lieu of taxes to be paid by the lessee.
- (3) A description of the economic development project identified in the payment in lieu of tax agreement, which, at a minimum shall consist of either a development project creating at least 10 new permanent jobs, or an affordable workforce housing development of not less than 75 housing units.

New law provides that prior to acquiring or owning an economic development project with a payment in lieu of tax agreement, a payment in lieu of tax proposal shall be submitted to the city council of the city of New Orleans for review through the clerk of the city council via personal delivery in exchange for a stamped receipt by the clerk of the city council or via registered or certified U.S. mail.

New law provides that the council of the city of New Orleans shall have 15 days from the date the proposal is received by the clerk of the city council to review said payment in lieu of tax proposal.

New law provides that the payment in lieu of tax agreement shall be deemed approved for execution by the district or any subdistrict if the city council fails to adopt a resolution disapproving said proposal within 30 days following such 15-day review period; provides that the city council may adopt a resolution approving the proposal with amendments to the payment in lieu of tax agreement.

New law provides that the payment in lieu of tax agreement related to an economic development project within the district or any subdistrict shall become effective upon approval by resolution of the board of the district or any subdistrict after either

- (1) The city council fails to adopt a resolution disapproving said payment in lieu of tax agreement within 30 days following the 15-day review period, or
- (2) The payment in lieu of tax agreement has incorporated the city council amendments to the payment in lieu of tax agreement.

New law provides that in connection with the lease of any property owned by the district or subdistrict to a private entity, the contract of lease or other agreement shall not be subject to existing law (R.S. 33:4710.11(D)(4) and R.S. 33:4710.11(D)(5)).

Effective August 1, 2023.

(Amends R.S. 33:130.862(A); adds R.S. 33:130.865.1)