

2024 Regular Session

HOUSE BILL NO. 761

BY REPRESENTATIVE LACOMBE

TAX INCREMENT FINANCING: Authorizes certain municipalities to create tax increment financing districts

1 AN ACT

2 To enact R.S. 33:9038.77, relative to cooperative economic development in certain
3 municipalities; to authorize municipalities meeting specified criteria to create a
4 taxing district for the redevelopment of blighted property into a conference style
5 hotel and related facilities; to provide for the governance, boundaries, and powers
6 and duties of the district, including the authority to engage in tax increment
7 financing; to authorize and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 33:9038.77 is hereby enacted to read as follows:

10 §9038.77. Cooperative economic development; certain municipalities

11 A. A municipality with a population of between one thousand five hundred
12 twenty-five and one thousand six hundred as established by the most recent federal
13 decennial census may create a taxing district as provided in this Section. Any such
14 taxing district is a political subdivision of the state.

15 B. The ordinance creating the district shall establish the boundaries of the
16 district.

17 C. Any such district shall be created to provide for cooperative economic
18 development among the municipality, the parish, the owners of property in the
19 district, the district, and the state, in order to provide for the redevelopment of and

1 dramatic improvement to the blighted property within the area of the district into a
2 conference style hotel and related facilities.

3 D.(1) The ordinance creating the district shall provide for its governing
4 board subject to the provisions of this Subsection.

5 (2) A majority of the members of the board shall constitute a quorum for the
6 transaction of business. The board shall keep minutes of all meetings and shall make
7 them available for inspection through the board's secretary-treasurer. The minute
8 books and archives of the district shall be maintained by the board's
9 secretary-treasurer. The monies, funds, and accounts of the district shall be in the
10 official custody of the board.

11 (3) The board shall adopt bylaws and prescribe rules to govern its meetings.
12 The members of the board shall serve without salary or per diem but shall be entitled
13 to reimbursement for reasonable, actual, and necessary expenses incurred in the
14 performance of their duties.

15 (4) The domicile of the board shall be established by the board at a location
16 within the district.

17 (5) The board shall elect from its own members a president, vice-president,
18 and a secretary-treasurer, whose duties shall be common to such offices or as may
19 be provided by bylaws adopted by the district. The board shall hold regular meetings
20 and may hold special meetings as provided in the bylaws.

21 E. The district, acting by and through its board, shall be a special taxing
22 district and shall have and exercise all powers of a political subdivision and special
23 taxing district necessary or convenient for the carrying out of its objects and
24 purposes including but not limited to the following:

25 (1) To sue and to be sued.

26 (2) To adopt bylaws and rules and regulations.

27 (3) To receive by gift, grant, donation, or otherwise any sum of money,
28 property, aid, or assistance from the United States, the state of Louisiana, or any
29 political subdivision thereof, or any person, firm, or corporation.

1 (4) To enter into contracts, agreements, or cooperative endeavors with the
2 state and its political subdivisions or political corporations and with any public or
3 private association, corporation, business entity, or person, including but not limited
4 to pledge and collateral assignment agreements and tax collection agreements.

5 (5) To appoint officers, agents, and employees, prescribe their duties, and fix
6 their compensation.

7 (6) To acquire by gift, grant, purchase, lease, or otherwise property as
8 necessary or desirable for carrying out the objectives and purposes of the district and
9 to mortgage and sell such property.

10 (7) In its own name and on its own behalf to incur debt and to issue bonds,
11 notes, certificates, and other evidences of indebtedness. If the district issues bonds
12 pursuant to this Section, the district shall be deemed and considered to be an issuer
13 for purposes of R.S. 33:9037 and shall, to the extent not in conflict with this Section,
14 be subject to the provisions of R.S. 33:9037.

15 (8) To establish such funds or accounts as necessary for the conduct of the
16 affairs of the district.

17 (9) To levy and collect the taxes authorized by this Section.

18 (10) To enter into one or more agreements to provide for the collection of
19 the taxes collected within the district and remittance of the taxes to the appropriate
20 recipients.

21 F.(1) In order to provide funds for the purposes of the district, the district
22 may levy and collect within the district a tax upon the occupancy of hotel rooms,
23 motel rooms, and overnight camping facilities and a tax upon the sale of food and
24 beverage not intended for home consumption. The aggregate tax rate upon the
25 occupancy of hotel rooms, motel rooms, and overnight camping facilities within the
26 district shall be at least equal to the aggregate rate of all taxes upon the occupancy
27 of hotel rooms, motel rooms, and overnight camping facilities levied and collected
28 within the parish where the district is located. The aggregate food and beverage tax

1 rate within the district shall be at least equal to the aggregate rate of all taxes on food
2 and beverage levied and collected within the parish where the district is located.

3 (2)(a) The word "hotel" as used in this Section shall mean and include any
4 establishment, both public and private, engaged in the business of furnishing or
5 providing rooms and overnight camping facilities intended or designed for dwelling,
6 lodging, or sleeping purposes to transient guests where such establishment consists
7 of two or more guest rooms.

8 (b) The occupancy tax shall be paid by the person who exercises or is
9 entitled to occupancy of the hotel room and shall be paid at the time the rent or fee
10 of occupancy is paid.

11 (c) The food and beverage tax shall be paid by the person who pays for the
12 food and beverages at the point of sale.

13 (d) The word "person" as used in this Section has the same meaning as
14 contained in R.S. 47:301(8).

15 (3) The taxes authorized in this Section shall be imposed by ordinance
16 adopted by the board without the need of an election.

17 (4) If there are no hotel occupancy or sales taxes whatsoever generated at the
18 property and, but for the hotel project to be developed at the property within the
19 district, there would be no collection of a hotel occupancy tax or food and beverage
20 tax by any taxing authority within the district, and if the district elects to levy and
21 collect the taxes authorized in this Section, the levy shall be deemed to supersede and
22 be in lieu of only other taxes on hotel occupancy and sales within the district that do
23 not secure bonds that have been authorized, that have not been dedicated by other
24 law or by proposition approved by electors voting in an election for such purpose,
25 and that are not based on a per-person basis. Additionally, if during the term of the
26 district, other taxes on hotel occupancy or sales within the district that are not
27 available for use for tax increment financing purposes subsequently cease to be
28 authorized to secure bonds, cease to secure bonds that have been authorized, or cease
29 to be dedicated by other law or by proposition approved by electors voting in an

1 election for such purpose and thus become available for the use of the financing
2 purposes hereunder, the levy pursuant to this Section shall at that time be deemed to
3 supersede and be in lieu of such other taxes on hotel occupancy or sales within the
4 district and shall be available for use for the purposes of the district.

5 G.(1)(a) The district may issue revenue bonds, in one or more series, payable
6 from an irrevocable pledge and dedication of available non-voter elected, pledged,
7 or dedicated up to the full amount of hotel occupancy and food and beverage sales
8 tax increments, in an amount to be determined by the district, to finance or refinance
9 any project or projects or parts thereof which are consistent with the purposes of the
10 district. Additionally, without the necessity of issuing revenue bonds, the district
11 may pledge the tax increments collected under the authority of this Section to any
12 financing or multiple refinancing of a hotel and related facilities within the district
13 in furtherance of the purposes of the district. Such financing may include but shall
14 not be limited to loans, mortgages, the issuance of bonds, or the issuance of
15 certificates of indebtedness. For each of the designated non-voter elected, pledged,
16 or dedicated food and beverage and hotel occupancy taxes collected within the
17 district, a tax increment shall consist of that portion of the aggregate of such tax
18 revenues collected by the district each year which exceeds the amount of such taxes
19 that were collected in the year immediately prior to the year in which the district was
20 established.

21 (b) Dedication of tax increments to pay the revenue bonds shall not impair
22 existing obligations of the district and shall not include tax revenues previously
23 dedicated by the district for a special purpose.

24 (2) The authority granted to the district pursuant to the provisions of this
25 Section is subject to the limitations provided in R.S. 33:9038.42.

26 H. The district shall dissolve and cease to exist one year after the date on
27 which all loans, bonds, notes, and other evidences of indebtedness of the district,
28 including refunding bonds, are paid in full as to both principal and interest; however,

1 the district shall not have an existence of more than forty years from the date on
2 which a tax authorized pursuant to this Section is first levied by the district.

3 I. Any ordinance or resolution authorizing bonds or other debt obligations
4 or the pledge of tax increments collected under the authority of this Section to any
5 financing authorized by this Section may be published at least once in the official
6 journal of the parish where the district is located. For thirty days after the date of
7 publication, any person in interest may contest the legality of the ordinance or
8 resolution and of any provision therein made for the security and payment of the debt
9 obligation or the levy and collection of such taxes. After that time, no one shall have
10 any cause of action to test the regularity, formality, legality, or effectiveness of the
11 ordinance or resolution, and provision thereof for any cause whatever. Thereafter,
12 it shall be conclusively presumed that every legal requirement for the levy and
13 collection of taxes, the issuance of bonds or other debt obligation, or legal
14 requirement for the levy and collection of taxes, the issuance of bonds or other debt
15 obligations, or the pledge of tax increment collected, including all things pertaining
16 to the authorizing thereof, has been complied with. No court shall have authority to
17 inquire into any of these matters after the thirty day period after publication.

18 J. This Section, being necessary for the welfare of the municipality and the
19 parish and the residents thereof, shall be liberally construed to effect the purposes
20 thereof.

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 761 Engrossed

2024 Regular Session

LaCombe

Abstract: Authorizes certain municipalities to engage in tax increment financing.

Proposed law authorizes any municipality with a population of between 1,525 and 1,600 to create a taxing district to provide for cooperative economic development to provide for the redevelopment of blighted property into a conference style hotel and related facilities. Provides that the ordinance creating the district shall provide for its boundaries and governing authority.

Proposed law authorizes any such district to levy a hotel occupancy tax and a tax upon the sale of food and beverage not intended for home consumption. The aggregate tax rate of the hotel occupancy tax shall be at least equal to the aggregate rate of all hotel occupancy taxes levied within the parish where the district is located. The aggregate food and beverage tax rate shall be at least equal to the aggregate rate of all taxes on food and beverage levied within the parish where the district is located.

Proposed law provides that if there are no hotel occupancy or sales taxes whatsoever generated at the property and, but for the hotel project to be developed at the property within the district, there would be no collection of a hotel occupancy tax or food and beverage tax by any taxing authority within the district, the levy of a tax by the district supersedes and is in lieu of only other taxes on hotel occupancy and sales within the district that do not secure bonds, that have not been dedicated by other law or by proposition approved by electors, and that are not based on a per person basis.

Proposed law authorizes the district to issue revenue bonds payable from an irrevocable pledge and dedication of up to the full amount of hotel occupancy and food and beverage sales tax increments, in an amount to be determined by the district, to finance or refinance any project or projects or parts thereof which are consistent with the purposes of the district. Further authorizes the district to pledge the tax increments collected pursuant to proposed law to financing of a hotel and related facilities within the district in furtherance of the purposes of the district. Provides that a tax increment shall consist of that portion of the aggregate of such tax revenues collected by the district each year which exceeds the amount of such taxes that were collected in the year immediately prior to the year in which the district was established.

Proposed law provides for termination of the district one year after all debts of the district are paid. However, the district shall not have an existence of more than 40 years from the date on which the district levies a tax.

Proposed law provides that any ordinance or resolution authorizing debt obligations or the pledge of tax increments may be published at least once in the official journal of the parish where the district is located. Authorizes contesting the debt or pledge for 30 days after the date of publication. Thereafter, it shall be conclusively presumed that every legal requirement for the levy and collection of taxes, the issuance of bonds or other debt obligation, or legal requirement for the levy and collection of taxes, the issuance of bonds or other debt obligations, or the pledge of tax increment collected, including all things pertaining to the authorizing thereof, has been complied with.

(Adds R.S. 33:9038.77)