

SENATE BILL NO. 374

BY SENATOR CATHEY

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AN ACT

To enact Chapter 51 of Title 33 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 33:9731, relative to statewide college economic development districts; to provide relative to cooperative economic development in and around universities in the state; to provide for the creation of special taxing districts; to provide relative to promulgation of rules and regulations by the district; to provide for the governance and powers and duties of the district, including the authority to levy taxes and special assessments; to authorize the district to incur debt and to pledge tax increments repayment thereof; to provide relative to sales and use tax increment; to provide for terms and definitions; to provide for procedure and requirements; to provide for term of existence of the district; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. Chapter 51 of Title 33 of the Louisiana Revised Statutes of 1950, comprised of R.S. 33:9731, is hereby enacted to read as follows:

**CHAPTER 51. STATEWIDE COLLEGE ECONOMIC DEVELOPMENT**

**DISTRICT IMPLEMENTATION PROCEDURE**

**§9731. College economic development district; statewide; implementation procedure**

**A.(1) It is the intention of the legislature to establish a uniform procedure for the creation of college economic development districts for any college or university in Louisiana, with the consent of the appropriate local governing authority. For purposes of this Section, the "appropriate local governing authority" means the governing authority of the municipality, if the subdivision or subdivisions are located within a municipality, or the governing authority of the parish if the subdivision or subdivisions are not located within a municipality.**

1           (2) A college economic development district, created pursuant to this  
2           Section, shall include property owned by the college or institution creating the  
3           district to provide for cooperative economic and community development  
4           among the college, the local governmental subdivision, the state, and the owners  
5           of property in the district. The terms "college economic development district"  
6           or "district" hereafter refer to a district created pursuant to this Section. Any  
7           college economic development district is a political subdivision of the state  
8           having all of the rights, powers, privileges, and immunities afforded by law and  
9           the Constitution of Louisiana to political subdivisions of the state, subject to the  
10           limitations provided for in this Section.

11           B. A college economic and development district, created pursuant to this  
12           Section, shall be created upon the adoption of an ordinance by the appropriate  
13           local governing authority.

14           C.(1) Any district created pursuant to this Section shall be a body politic  
15           and corporate and shall be known by the name provided for in the ordinance  
16           creating the district, hereinafter referred in this Section as the "district". The  
17           district shall be a political subdivision of the state as defined in the Constitution  
18           of Louisiana.

19           (2) The boundaries of a district shall be coterminous with the boundaries  
20           of one or more subdivisions within a parish as established in an official  
21           subdivision plat filed with the clerk of court for the parish and shall not include  
22           any residential property.

23           D.(1) A college economic development district shall be administered and  
24           governed by a board of commissioners, referred to in this Section as the  
25           "board".

26           (2) The board shall be comprised as follows:

27           (a) The highest executive officer of the college shall appoint four persons  
28           and shall serve as a member of the board and chairman of the board as long as  
29           he is the highest executive officer of the university.

30           (b) Two of the members of the board shall be representatives from

1 businesses within the district.

2 (c) The president of the Senate and the speaker of the House of  
3 Representatives shall jointly appoint one member of the legislature to serve on  
4 the board.

5 (3) Members shall serve five-year terms after initial terms as provided  
6 by the ordinance creating the district. The president shall serve as long as he is  
7 president of the university. Two members shall serve an initial term of two  
8 years, and two members shall serve an initial term of three years, as determined  
9 by lot at the first meeting of the board. Each member of the board shall  
10 continue to serve until reappointed or a successor is duly appointed. Any  
11 vacancy in the membership of the board shall be filled in the manner of the  
12 original appointment for the unexpired term. If an appointment to fill a vacancy  
13 is not made within sixty days, the board shall appoint an interim successor to  
14 serve until the position is filled by the appointing authority.

15 (4) Any member of the board may be removed by a three-fourths vote  
16 of the remaining membership of the board for cause, which may include failure  
17 to attend at least one-half of the meetings of the board in a two-year period.

18 (5) The members of the board shall serve without salary or per diem.  
19 The board may reimburse any member for reasonable, actual, and necessary  
20 expenses incurred in the performance of his duties pursuant to this Section.

21 (6) The board shall elect from its members a president, a vice president,  
22 a secretary, and a treasurer, whose duties shall be those common to these  
23 offices. At the option of the board, the offices of secretary and treasurer may be  
24 held by one person.

25 (7) The board shall meet in regular session at least once per year and  
26 shall also meet in special session as often as the president of the board convenes  
27 the board or upon the written request of at least three members. A majority of  
28 the members of the board shall constitute a quorum for the transaction of  
29 business. The board shall keep minutes of all meetings and shall make them  
30 available for inspection through the board's secretary or secretary-treasurer,

1 who shall also maintain the minute books and archives of the district. The  
2 monies, funds, and accounts of the district shall be in the official custody of the  
3 board.

4 (8) The domicile of the board shall be established by the board at a  
5 location within the district. The official journal of the district is the official  
6 journal of the parish where the domicile of the board is located.

7 E. A college economic development district, acting by and through its  
8 board, shall have and exercise all powers of a political subdivision necessary or  
9 convenient for the carrying out of its objects and purposes, including but not  
10 limited to the following:

11 (1) To sue and to be sued.

12 (2) To adopt, use, and alter at will a corporate seal.

13 (3) To acquire by gift, grant, or purchase all property, including rights-  
14 of-way, movable, immovable, or mixed, corporeal or incorporeal, or any interest  
15 therein.

16 (4) To enter into contracts for the purchase, acquisition, construction,  
17 and improvement of works and facilities necessary in connection with the  
18 purposes of the district.

19 (5) In the name of and on behalf of the district, to incur debt and to issue  
20 revenue bonds, special assessment bonds, certificates, notes, and other evidences  
21 of indebtedness and to levy and cause to be collected certain taxes as provided  
22 for in this Section and as may be provided by general law.

23 (6) To regulate the imposition of fees and rentals charged by the district  
24 for the facilities and services rendered.

25 (7) To borrow money and pledge all or part of its revenues, leases, rents,  
26 or other advantages as security for the loans.

27 (8) To appoint officers, agents, and employees, prescribe duties, and fix  
28 compensation.

29 (9) To develop public improvement projects for the benefit of the  
30 respective college, either directly with the respective college or through one or

1 more private foundations or nonprofit corporations affiliated with the  
2 respective college, or both.

3 (10) To exercise any and all of the powers granted to a college economic  
4 development district as an economic development district established pursuant  
5 to Part II of Chapter 27 of this Title, including but not limited to the powers of  
6 tax increment financing pursuant to R.S. 33:9038.33 and 9038.34 and the power  
7 to levy taxes within the district pursuant to R.S. 33:9038.39. The district shall  
8 exercise the powers in accordance with the provisions of Part II of Chapter 27  
9 of this Title.

10 (11) To exercise any and all of the powers granted to a community  
11 development district as a community development district established pursuant  
12 to Chapter 27-B of this Title, including but not limited to the power to levy  
13 special assessments on property within the district pursuant to R.S. 33:9039.29.  
14 The district shall exercise the powers in accordance with the provisions of  
15 Chapter 27-B of this Title.

16 F.(1) It is expressly provided that any sales and use tax levied by a college  
17 economic development district or any subdistrict created by the district may  
18 exceed the limitation set forth by Article VI, Section 29(A) of the Constitution  
19 of Louisiana and shall be imposed, collected, and enforced subject to the terms  
20 of the resolution imposing the tax and the provisions of Chapter 2 of Subtitle II  
21 of Title 47 of the Louisiana Revised Statutes of 1950.

22 (2)(a) A college economic development district and any subdistrict  
23 created by the district may levy taxes or assessments of any type only after the  
24 board has adopted an appropriate resolution giving notice of its intention to  
25 levy the taxes or assessments. The resolution shall include a general description  
26 of the taxes or assessments to be levied. The district or subdistrict shall give  
27 notice of its intention by publication once per week for two weeks in the official  
28 journal of the district, the first publication to appear at least fourteen days  
29 before the public meeting of the board at which the board shall hear any  
30 objections to the proposed taxes or assessments. The notice of intent so

1 published shall state the date, time, and place of the public hearing.

2 (b) The taxes or assessments may be levied only after the board calls a  
3 special election submitting the proposition for the levy of the taxes or  
4 assessments to the qualified electors of the district or subdistrict, as applicable,  
5 and the proposition received the favorable vote of a majority of the electors  
6 voting in the election. Any election held pursuant to this Section shall be  
7 conducted in accordance with the Louisiana Election Code and held on a date  
8 that corresponds with an election date provided by R.S. 18:402(A)(1) or (B)(1).  
9 However, if there are no qualified electors in the district or subdistrict, as  
10 applicable, as certified by the registrar of voters, no election is required, but the  
11 taxes or assessments shall not be levied unless approved by the governing  
12 authority of the local governmental subdivision.

13 (c) The powers and rights conferred by this Paragraph shall be in  
14 addition to the powers and rights conferred by any other general or special law.  
15 This Paragraph shall be construed to provide a complete and additional method  
16 for the levy of any taxes or assessments. No election, proceeding, notice, or  
17 approval shall be required for the levy of the taxes or assessments except as  
18 provided for in this Paragraph.

19 G.(1) A college economic development district may create subdistricts as  
20 provided for in this Subsection. The district shall publish notice of its intent to  
21 create a subdistrict in the official journal of the district. At least ten days after  
22 publication of the notice, the board shall conduct a public hearing on the  
23 question of creating the subdistrict. Thereafter, the board may designate one or  
24 more areas within the boundaries of the district as subdistricts of the district.  
25 Each subdistrict shall constitute a political subdivision of the state and shall be  
26 governed by the board. Each subdistrict shall have the same powers as the  
27 district and shall be given a suitable name as the board may designate. A  
28 reference to the district hereafter in this Section includes any subdistrict created  
29 by the district.

30 (2) The boundaries of a district may be changed in accordance with

1 provisions of this Section dealing with the establishment of the original  
2 boundaries. If a district is expanded to include an area where qualified electors  
3 reside, no tax shall be collected in the added area unless the qualified electors  
4 of that added area approve the tax in accordance with Subparagraph (F)(2)(b)  
5 of this Section.

6 H.(1) The district may issue and sell from time to time bonds, notes,  
7 renewal notes, refunding bonds, interim certificates, certificates of indebtedness,  
8 certificates of participation, debentures, warrants, commercial paper, or other  
9 obligations or evidence of indebtedness to provide funds for and to fulfill and  
10 achieve its public purpose or corporate purposes, as set forth in this Section,  
11 including but not limited to the payment of all or a portion of the costs of a  
12 project, to provide amounts necessary for any corporate purposes, including  
13 necessary and incidental expenses in connection with the issuance of the  
14 obligations, the payment of principal and interest on the obligations of the  
15 district, the establishment of reserves to secure the obligations, and all other  
16 purposes and expenditures of the district incident to and necessary or  
17 convenient to carry out its public functions or corporate purposes, and any  
18 credit enhancement for the obligations.

19 (2) Except as may otherwise be provided by the board, all obligations  
20 issued by the district shall be negotiable instruments and payable solely from  
21 the revenues of the district as determined by the board, or from any other  
22 source that may be available to the district but shall not be secured by the full  
23 faith and credit of the state or the local governmental subdivision.

24 (3) The obligations shall be authorized, issued, and sold by a resolution  
25 or resolutions of the board. The bonds or obligations may be of the series; bear  
26 the date or dates; mature at the time or times; bear interest at the rate or rates,  
27 including variable, adjustable, or zero interest rates; be payable at the time or  
28 times; be in the denominations; be sold at the price or prices, at public or  
29 private negotiated sale, after advertisement as is provided for in R.S. 39:1426;  
30 be in the form; carry the registration and exchangeability privileges; be payable

1 at the place or places; be subject to the terms of redemption; and be entitled to  
2 the priorities on the income, revenue, and receipts of, or available to, the district  
3 as may be provided by the board in the resolution or resolutions providing for  
4 the issuance and sale of the bonds or obligations of the district.

5 (4) The obligations of the district shall be signed by the officers of the  
6 board by either manual or facsimile signatures as shall be determined by  
7 resolution or resolutions of the board and may have impressed or imprinted  
8 thereon the seal of the district or a facsimile thereof.

9 (5) Any obligations of the district may be validly issued, sold, and  
10 delivered, notwithstanding that one or more of the officers of the board signing  
11 the obligations, or whose facsimile signature or signatures may be on the  
12 obligation shall have ceased to be the officer of the board at the time the  
13 obligations have been actually delivered.

14 (6) Obligations of the district may be sold in the manner and from time  
15 to time as may be determined by the board to be most beneficial, subject to  
16 approval of the State Bond Commission, and the district may pay all expenses,  
17 premiums, fees, or commissions which it may deem necessary or advantageous  
18 in connection with the issuance and sale thereof.

19 (7) The board may authorize the establishment of a fund or funds for the  
20 creation of a debt service reserve, a renewal and replacement reserve, or other  
21 funds or reserves as the board may approve with respect to the financing and  
22 operation of any project funded with the proceeds of the bonds and as may be  
23 authorized by any bond resolution, trust agreement, indenture of trust, or  
24 similar instrument or agreement pursuant to the provisions of which the  
25 issuance of bonds or other obligations of the district or subdistrict may be  
26 authorized.

27 (8) Any cost, obligation, or expense incurred for any of the purposes or  
28 powers of the district specified in this Subsection shall be a part of the project  
29 costs and may be paid or reimbursed as such out of the proceeds of bonds or  
30 other obligations issued by the district; however, no portion of any state sales

1 taxes made directly available to the district pursuant to an agreement with the  
2 state shall be used by the district to pay the costs of constructing or operating  
3 any privately owned hotel located within the district without the consent of the  
4 Joint Legislative Committee on the Budget or its successor.

5 (9) For a period of thirty days from the date of publication of the  
6 resolution authorizing the issuance of bonds hereunder, any persons in interest  
7 shall have the right to contest the legality of the resolution and the legality of the  
8 bond issue for any cause, after which time no one shall have any cause or right  
9 of action to contest the legality of the resolution or of the bonds authorized  
10 thereby for any cause whatsoever. If no suit, action, or proceeding has begun  
11 contesting the validity of the bond issue within thirty days, the authority to issue  
12 the bonds and to provide for the payment thereof and the legality thereof and  
13 all of the provisions of the resolution authorizing the issuance of the bonds, shall  
14 be conclusively presumed, and no court shall have authority to inquire into the  
15 matters.

16 (10) Neither the members of the board nor any person executing the  
17 bonds shall be personally liable for the bonds or be subject to any personal  
18 liability by reason of the issuance thereof. No earnings or assets of the district  
19 shall accrue to the benefit of any private persons. However, the limitation of  
20 liability provided for in this Paragraph shall not apply to any gross negligence  
21 or criminal negligence on the part of any member of the board or person  
22 executing the bonds.

23 (11) All obligations authorized to be issued by the district pursuant to the  
24 provisions of this Subsection, together with interest thereof, income therefrom,  
25 and gain upon the sale thereof shall be exempt from all state and local taxes.

26 (12) The state and all public officers; any parish, municipality, or other  
27 subdivision or instrumentality of the state; any political subdivision; any bank,  
28 banker, trust company, savings bank and institution, building and loan  
29 association, savings and loan association, investment company, or any person  
30 carrying on a banking or investment business; any insurance company or

1 business, insurance association, and any person carrying on an insurance  
2 business; and any executor, administrator, curator, trustee, and other fiduciary;  
3 and any retirement system or pension fund may legally invest any sinking funds,  
4 monies, or other funds belonging to them or within their control in any bonds  
5 or other obligations issued by the district pursuant to the provisions of this  
6 Subsection, and the bonds or other obligations shall be authorized security for  
7 all public deposits. It is the purpose of this Section to authorize the persons,  
8 firms, corporations, associations, political subdivisions and officers, or other  
9 entities, public or private, to use any funds owned or controlled by them,  
10 including but not limited to sinking, insurance, investment, retirement,  
11 compensation, pension, and trust funds, and funds held on deposit, for the  
12 purchase of any bonds or other obligations of the district or subdistrict, and  
13 that the bonds shall be authorized security for all public deposits. However,  
14 nothing contained in this Section with regard to legal investments or security for  
15 public deposits shall be construed as relieving any person, firm, corporation, or  
16 other entity from any duty of exercising reasonable care in selecting securities.

17 I.(1) Notwithstanding any provision of this Section, a college economic  
18 development district and any subdistrict created by the district shall not levy or  
19 assess any property tax or fee on any property within the district or subdistrict  
20 that is owned, used, or operated by an exempt entity as defined in this  
21 Subsection, and no exempt entity shall be subject to any sales or use tax levied  
22 or assessed by a district or subdistrict. An exempt entity shall be issued a  
23 certificate of exclusion from the district or subdistrict certifying that the entity  
24 is engaged in industrial activities as defined in this Subsection and excluded  
25 from a sales or use tax levied by the district or subdistrict. The district or  
26 subdistrict shall adopt rules and regulations for the implementation and  
27 issuance of certificates of exclusion.

28 (2) For purposes of this Subsection, "exempt entity" means any entity  
29 engaged or any entity contractually affiliated with any entity engaged in  
30 industrial activities within a district or subdistrict.

1           (3) For purposes of this Subsection, "industrial activities" means  
2           manufacturing, refining, fabricating, constructing, assembling, processing,  
3           treating, power generation, storage or wholesale distribution of products,  
4           commodity, goods, materials, or articles, or procurement or service providers  
5           for these activities, including by way of illustration but without limitation:

6           (a) The processing of raw materials or substances.

7           (b) The making, manufacturing, or assembling of semi-finished or  
8           finished goods, products, or equipment.

9           (c) The cleaning, servicing, repairing, or testing of materials, goods, and  
10           equipment normally associated with industrial businesses or cleaning, servicing,  
11           and repair operations to goods and equipment, where the operations have  
12           impacts that would make them incompatible in nonindustrial property or areas.

13           (d) The storage or transshipping of materials, products, goods, and  
14           equipment.

15           (e) The distribution and sale of materials, products, goods, and  
16           equipment to institutions or industrial and commercial businesses for their  
17           direct use or to stores for resale to individual customers.

18           (f) The training of personnel in general industrial operations.

19           J.(1) Each college economic development district and any subdistrict  
20           created by the college district may be the recipient of a sales or use tax  
21           increment which consists of that portion of the designated incremental sales or  
22           use tax collected each year on the sale at retail, the use, the lease or rental, the  
23           consumption and storage for use or consumption of tangible personal property,  
24           and on sales of services, all as defined in R.S. 47:301 et seq., or any other  
25           appropriate provision or provisions of law as amended.

26           (2) The sales or use tax increment may include hotel occupancy taxes,  
27           occupancy taxes, or similar taxes, or any combination of these taxes, levied upon  
28           the use or occupancy of hotel rooms if so designated by the governing authority  
29           of the district as the tax recipient entity, from taxpayers located within a college  
30           economic development district and subdistrict which exceeds the designated

1           sales or use tax revenues and hotel occupancy taxes, occupancy taxes, or similar  
 2           taxes so designated that were collected in the year immediately prior to the year  
 3           in which the college economic development district and any subdistrict was  
 4           established.

5           K. A college economic development district shall dissolve and cease to  
 6           exist upon the later to occur of either one year after the date on which all loans,  
 7           bonds, notes, and other evidences of indebtedness of the district, including  
 8           refunding bonds, are paid in full as to both principal and interest or fifty years  
 9           from the creation of the district.

10           L. This Section, being necessary for the welfare of the state, the parish,  
 11           and its residents, shall be liberally construed to effect the purposes thereof.

12           Section 2. This Act shall become effective upon signature by the governor or, if not  
 13           signed by the governor, upon expiration of the time for bills to become law without signature  
 14           by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 15           vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 16           effective on the day following such approval.

\_\_\_\_\_  
 PRESIDENT OF THE SENATE

\_\_\_\_\_  
 SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
 GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_