
DIGEST

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Barras

HB No. 1086

Abstract: Authorizes economic development districts to approve the creation of nonprofit economic development corporations.

Present law (R.S. 33:9023) authorizes in the state and each local governmental subdivision of the state the creation and organization of nonprofit economic development corporations. Prohibits any such corporation from organizing, transacting, conducting business, or exercising any power as may be granted by present law until the legislature or the governing authority of a local governmental subdivision declares a need for such a corporation.

Present law provides that any group of three or more persons may apply to the legislature of the governing authority of a local governmental subdivision of the state in writing for permission to organize and be designated an economic development corporation.

Present law defines a local governmental subdivision as any parish or municipality or any port commission or port harbor and terminal district. Proposed law adds an economic development district or authority created as a political subdivision of the state as defined in the constitution to such definition.

Present law provides that the powers of such corporations include:

- (1) To acquire by purchase, lease, lease-purchase, option, gift, grant, bequest, or devise, any property which it may deem necessary to carry out the purpose and provisions of present law and to make capital improvements, acquire equipment, and provide funds for such purpose through cooperative endeavor agreements which may provide for the transfer of title to such property upon successful achievement of the goal set forth in such agreements.
- (2) To sell, convey, mortgage, lease, transfer, donate, option, exchange, or otherwise dispose of any property, or any interest therein, as the objects and purposes of the corporation may require to carry out the provisions of present law.
- (3) To issue revenue bonds secured by a pledge of any revenues of the corporation derived or to be derived by it from or held or to be held by it in connection with its undertaking of any economic development project, including loans, grants, or contribution of funds made or to be made to it in aid of any of its other activities or operations, including tax increments or sales tax increments, and to pay or cause to be paid from the proceeds of

the issuance of such revenue bonds, all or a portion of the costs of an economic development project as specified in present law (R.S. 33:9035) and to give local citizens preferential treatment in job development.

- (4) To borrow money and to apply for and to receive grants, loans, or advances.
- (5) To invest any funds not required for immediate use in property or securities in which public bodies may legally invest funds subject to their control.
- (6) To declare or designate, subject to the approval of the chief executive officer or governing authority of local governmental subdivision, areas of said governmental subdivision as economic development areas.
- (7) To prepare or cause to be prepared an economic development plan.
- (8) To enter into partnerships, joint ventures, and other relationships with any federal, state, or local governmental agency or with any private or public firm, partnership, corporation or other entity.
- (9) To delegate to a private development corporation or other entity any duties and responsibilities as the corporation deems necessary or convenient in order to carry out the purposes of present law.
- (10) To give local citizens preferential treatment in job development.

(Amends R.S. 33:9022(5))