

New law authorizes certain development districts that receive tax increment funding from a municipality to provide for an audit of related financial activities of the municipality and other entities that provide such funding to the district as follows:

- (1) Authorizes the governing authority of a development district to provide for an audit of financial activities, statements, and records of the municipality in which it is located and of other local governmental entities related to tax increment financing from which the development district receives or should receive funds pursuant to agreements with the municipality and other local governmental entities. Authorizes the district governing authority to request the legislative auditor to conduct such audit in accordance with existing law relative to the auditor's powers, or if the legislative auditor notifies the district that his office will not perform the audit, authorizes the district governing authority to contract with an auditor approved by the legislative auditor to conduct such audit in accordance with existing law relative to the auditor's powers.
- (2) Requires that the audit be in compliance with governmental auditing standards and call attention to matters required by governmental auditing standards and the La. Governmental Audit Guide including reportable conditions, failure to comply with laws and regulations, and other appropriate matters. Requires that the audit report make specific recommendations for future avoidance together with the response of the municipality and any other entities audited.
- (3) Applies only to a development district created by law that has a board of commissioners that is not the governing authority of a parish or municipality and:
  - (a) The municipality in which the district is located is authorized to levy taxes and incur indebtedness for the benefit of the district; and
  - (b) The district receives tax increment funds through agreements with the municipality in which it is located.
- (4) Authorizes such audits as frequently as the district governing authority deems necessary but not more frequently than once in a 12-month period. Authorizes the district to use any district funds to pay audit costs except taxes dedicated to the payment of bonds or indebtedness.

Effective upon signature of governor (June 18, 2014).

(Adds R.S. 33:9038.1)