

2015 Regular Session

SENATE BILL NO. 257

BY SENATOR THOMPSON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

SPECIAL DISTRICTS. Authorizes certain additional tax increment finance authority for certain Tax Increment Development Corporations. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 33:9038.31(2) and (3) and to enact R.S. 33:9038.68, relative to
3 Tax Increment Development Corporations; to authorize certain additional tax
4 increment finance authority for certain such corporations; and to provide for related
5 matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 33:9038.31(2) and (3) are hereby amended and reenacted and R.S.
8 33:9038.68 is hereby enacted to read as follows:

9 §9038.31. Definitions

10 As used in this Part, the following terms shall have the following meanings,
11 unless the context requires otherwise:

12 * * *

13 (2) "Issuer" means the local governmental subdivision, economic
14 development district, industrial development board of the municipality or parish
15 authorized and created pursuant to Chapter 7 of Title 51 of the Louisiana Revised
16 Statutes of 1950, ~~or a~~ public trust with the municipality or parish as the beneficiary
17 thereof as provided in Chapter 2-A of Code Title II of Code Book III of Title 9 of the

1 Louisiana Revised Statutes of 1950, as authorized in this Part, or any Tax
 2 Increment Development Corporation activated in a municipality with a
 3 population of not less than three thousand three hundred and not more than
 4 three thousand three hundred ninety-five persons according to the most recent
 5 federal decennial census.

6 (3) "Local governmental subdivision" means any municipality or parish or
 7 any municipality, parish, local industrial board, ~~or a~~ local public trust authorized
 8 pursuant to R.S. 33:9038.33(N) or 9038.34(N) having jurisdiction over the
 9 geographical area bounded by the Mississippi River, the Orleans/Jefferson parish
 10 line and the Orleans/Plaquemines parish line, or any Tax Increment Development
 11 Corporation activated in a municipality with a population of not less than three
 12 thousand three hundred and not more than three thousand three hundred
 13 ninety-five persons according to the most recent federal decennial census; but
 14 the provisions of this Part shall not apply to any of the financing of construction,
 15 renovations, or improvements of any convention center, hotel complex, and ancillary
 16 facilities within the city of Shreveport. However, the provisions of this Part shall
 17 apply to the parish of Rapides, only as provided in R.S. 33:9038.41.

18 * * *

19 §9038.68. Certain tax increment development corporations

20 A. In addition to the authority provided to a Tax Increment
 21 Development Corporation by Chapter 1 of Subtitle IX of Title 47 of the
 22 Louisiana Revised Statutes of 1950, (R.S. 47:8001 et seq.), any Tax Increment
 23 Development Corporation activated in a municipality with a population of not
 24 less than three thousand three hundred and not more than three thousand three
 25 hundred ninety-five persons according to the most recent federal decennial
 26 census shall have such tax increment finance authority, taxing authority, and
 27 other authority that is provided to local governmental subdivisions in Part II of
 28 Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950 (R.S. 33:9038.31
 29 et seq.), including but not limited to: ad valorem tax increment financing and

1 bonding in R.S. 33:9038.33; sales tax increment financing and bonding in R.S.
2 33:9038.34; cooperative endeavor authority in R.S. 33:9038.35; bond authority
3 in R.S. 33:9038.38; and ad valorem, sales tax, and hotel occupancy tax authority
4 in R.S. 33:9038.39. In addition to any tax increment community development
5 projects of such corporation, the corporation may undertake an economic
6 development project within the meaning provided for in that Part.

7 B. Notwithstanding any provision of Part II of Chapter 27 of Title 33 of
8 the Louisiana Revised Statutes of 1950 (R.S. 33:9038.31 et seq.) or any other law
9 to the contrary, any powers, authorities, or duties granted under the laws in
10 that Part may be restricted to a geographically defined district initiated by the
11 chief executive officer or mayor of such municipality or to a tax increment
12 community development area established by ordinance or resolution of the
13 corporation.

14 C. The corporation may pledge any taxes collected under the authority
15 of this Section to tax increment community development projects of such
16 corporation or any economic development project in furtherance of the
17 purposes of the corporation. Such financing may include but shall not be limited
18 to loans, mortgages, the issuance of bonds, or the issuance of certificates of
19 indebtedness.

20 D. Term. Notwithstanding any provision of Part II of Chapter 27 of Title
21 33 of the Louisiana Revised Statutes of 1950 (R.S. 33:9038.31 et seq.) or any
22 other law to the contrary, the corporation may not dissolve or cease to exist
23 until one year after the date all bonds, notes, and other evidences of
24 indebtedness of the corporation, including refunding bonds, are paid in full as
25 to both principal and interest; however, under no event shall the corporation
26 have an existence of less than three years.

27 E. Liberal Construction. This Section shall be liberally construed to
28 effect the purposes thereof.

29 Section 2. This Act shall become effective upon signature by the governor or, if not

1 signed by the governor, upon expiration of the time for bills to become law without signature
 2 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 3 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 4 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Riley Boudreaux.

DIGEST

SB 257 Original 2015 Regular Session Thompson

Present law creates a "The Tax Increment Development Corporation" [TID] in each parish and municipality in the state which may be activated by an ordinance or resolution of the governing authority of the parish or municipality. The TID is authorized to fund a tax increment development project with ad valorem property tax increments, including the authority to issue indebtedness.

Present law authorizes entities defined as "local governmental subdivisions" to implement ad valorem tax and sales tax increment financing and to issue revenue bonds backed by a pledge of the tax increments to finance all or any part of an "economic development project".

Present law authorizes such "local governmental subdivisions" to enter into a joint venture or cooperative endeavor for a public purpose with a federal, state, or local governmental agency or with a private or public firm, partnership, corporation, or other entity.

Present law authorizes such "local governmental subdivisions" to issue revenue bonds and other bonds and forms of indebtedness.

Present law authorizes such "local governmental subdivisions" to levy an ad valorem tax of up to 5 mills and two percent of sales tax after the governing authority of the district gives notice and meets in open and public session to hear any objections and the favorable vote of a majority of the electors of the district voting in an election.

Such tax increase may be levied only after the governing authority of the district has called a special election submitting the proposition for the levy of such taxes to the qualified electors of the district and the proposition has received the favorable vote of a majority of the electors voting in the election; however, in the event there are no qualified electors in the district as certified by the registrar of voters, no such election shall be required.

Proposed law defines any Tax Increment Development Corporation [TID] activated in a municipality with a population of not less than 3,300 and not more than 3,395 according to the most recent federal decennial census as an "issuer" and a "local governmental subdivision" for purposes of utilizing such TIF authority in present law.

Proposed law specifically grants to such TID all the ad valorem, sales tax, and occupancy tax increment finance and bonding authority, and the ad valorem and sales tax levy authority granted to "local governmental subdivisions" as described above, and authorizes the TID in addition to any tax increment community development projects of such TID to undertake an "economic development project" within the meaning provided for in present law.

Authorizes the TID to restrict any powers, authorities, or duties granted under present law to a geographically defined district initiated by the chief executive officer or mayor of such municipality or to a tax increment community development area established by ordinance or resolution of the TID. The TID may pledge any taxes collected under the authority of the

proposed law to tax increment community development projects or any economic development project in furtherance of the purposes of the TID. Such financing may include but shall not be limited to loans, mortgages, the issuance of bonds, or the issuance of certificates of indebtedness.

Proposed law must be liberally construed to effect its purposes.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 33:9038.31(2) and (3); adds R.S. 33:9038.68)