

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 for the purposes provided for in R.S. 33:9038.68.

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 for the
 14 purposes provided for in R.S. 33:9038.68; but the provisions of this Part shall not
 15 apply to any of the financing of construction, renovations, or improvements of any
 16 convention center, hotel complex, and ancillary facilities within the city of
 17 Shreveport. However, the provisions of this Part shall apply to the parish of Rapides,
 18 only as provided in R.S. 33:9038.41.

19 * * *

20 §9038.68. Certain tax increment development corporations

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

1 et seq.), for the purpose of financing or refinancing an economic development
2 project or a tax increment community development project consisting of a
3 combination of residential housing units, a bank, and retail establishments
4 including a grocery store, pharmacy, restaurants, and related facilities. The
5 authority shall include but not be limited to ad valorem tax increment financing
6 and bonding in R.S. 33:9038.33, sales tax increment financing and bonding in
7 R.S. 33:9038.34, cooperative endeavor authority in R.S. 33:9038.35, bond
8 authority in R.S. 33:9038.38, and ad valorem, sales tax, and hotel occupancy tax
9 authority in R.S. 33:9038.39.

10 B. Notwithstanding any provision of Part II of Chapter 27 of Title 33 of
11 the Louisiana Revised Statutes of 1950 (R.S. 33:9038.31 et seq.) or any other law
12 to the contrary, any powers, authorities, or duties granted under the laws in
13 that Part shall be restricted to a geographically-defined district of no more than
14 ten acres initiated by the chief executive officer or mayor of a municipality, or
15 to a tax increment community development area established by ordinance or
16 resolution of the corporation of no more than ten acres, within which the
17 project described in Subsection A of this Section will be constructed.

18 C. The corporation may pledge any taxes collected under the authority
19 of this Section to a tax increment community development project of a
20 corporation or an economic development project described in Subsection A of
21 this Section in furtherance of the purposes of the corporation. Financing may
22 include but shall not be limited to loans, mortgages, the issuance of bonds, or
23 the issuance of certificates of indebtedness.

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

1 an existence of less than three years.

2 E. Liberal Construction. This Section shall be liberally construed to
 3 effect the purposes thereof.

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

The original instrument was prepared by Riley Boudreaux. The following digest, which does not constitute a part of the legislative instrument, was prepared by J. W. Wiley.

DIGEST

SB 257 Reengrossed

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 five 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 utilization of such TIF authority in present law, but only for the purpose of a specified project described as the financing or refinancing an economic development project or a tax increment community development project consisting of a combination of

residential housing units, a bank, and retail establishments including a grocery store, pharmacy, restaurants, and related facilities.

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.

Restricts the powers, authorities, and duties granted to the TID under present law to a geographically-defined district of no more than 10 acres initiated by the chief executive officer or mayor of a 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 the project described in proposed law 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)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Limits the purpose for which the TIF authority may be used to the financing or refinancing of an economic development project or a tax increment community development project consisting of a combination of residential housing units, a bank, and retail establishments including a grocery store, pharmacy, and restaurants, and related facilities
2. Limits the size of the district to no more than 10 acres.

Senate Floor Amendments to engrossed bill

1. Makes technical changes.