

2020 First Extraordinary Session

HOUSE BILL NO. 28

BY REPRESENTATIVE DWIGHT

TAX/AD VALOREM TAX: Authorizes agreements between political subdivisions and taxpayers that may provide for certain payments in lieu of ad valorem taxes (Item #28)

1 AN ACT
2 To amend and reenact R.S. 33:9021(8) and (10) and 9022(1) and to enact R.S. 33:2760,
3 relative to payments in lieu of taxes; to provide for agreements for investments in
4 political subdivisions authorizing payments in lieu of ad valorem taxes; to provide
5 for agreements authorizing payments in lieu of ad valorem taxes that may allow for
6 property tax exemptions; to provide for the authority of political subdivisions; to
7 provide for ownership and title of property subject to certain agreements; to provide
8 for definitions; to provide for certain conditions and limitations; and to provide for
9 related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 33:9021(8) and (10) and 9022(1) are hereby amended and reenacted
12 and R.S. 33:2760 is hereby enacted to read as follows:

13 §2760. Agreements for strategic investments

14 A. Pursuant to Article VII, Section 21 of the Constitution of Louisiana,
15 political subdivisions permitted to levy an ad valorem tax are authorized to
16 participate in an agreement for strategic investments to maximize parish and local
17 economies for payments in lieu of taxes.

18 B. The agreement shall be entered into voluntarily by an ad valorem taxpayer
19 and the governing authority. All political subdivisions authorized to levy an ad

1 valorem tax within the parish shall be bound to all terms and conditions provided for
2 in the agreement.

3 C. The governing authority may grant ad valorem tax exemptions for a term
4 of nine years in exchange for no greater than two years of ad valorem tax payments
5 within an agreement for strategic investment maximizing parish and local economies
6 authorizing payments in lieu of taxes. Property that has been subject to a contract
7 of exemption as provided in Article VII, Section 21(F) of the Constitution of
8 Louisiana shall be ineligible for an agreement for strategic investment to maximize
9 parish and local economies authorizing payments in lieu of ad valorem taxes.

10 D. Title or ownership of property subject to an agreement for strategic
11 investments to maximize parish and local economies authorizing payments in lieu
12 of ad valorem taxes, as provided by this Section and the Constitution of Louisiana,
13 shall not be transferred from the owner or the owner's successor during the time the
14 agreement is in effect.

15 E. For the purposes of this Section, "political subdivision" means a parish,
16 municipality, and any other unit of local government, including a school board and
17 a special district authorized to levy and collect an ad valorem property tax.

18 * * *

19 §9021. Findings, declarations of necessity, and purpose

20 It is hereby found and declared that:

21 * * *

22 (8) Public-private partnerships which take advantage of the special expertise
23 and experience of representatives of the private sector and other agreements can be
24 among the most effective programs to encourage and maintain economic
25 development.

26 * * *

27 (10) It is in the best interest of the state of Louisiana and of its regions,
28 parishes, and municipalities to encourage, create, and support public-private
29 partnerships and other agreements and to permit and encourage participation by

1 representatives of private-sector industries which may benefit from economic
2 development programs, while providing appropriate protections for the public
3 interest.

4 §9022. Definitions

5 The following terms, whenever used or referred to in this Chapter, shall have
6 the following meaning unless a different meaning is otherwise clearly indicated in
7 the context:

8 (1) "Cooperative endeavors" means any form of economic development
9 assistance between and among the state, its local governmental subdivisions,
10 political corporations, public benefit corporations, the United States or its agencies,
11 or any public or private association, corporation, or individual. The term
12 "cooperative endeavors" shall include but not be limited to cooperative financing,
13 cooperative development, agreements providing for payments in lieu of taxes, or any
14 other form of cooperative economic development activity.

15 * * *

16 Section 2. This Act shall take effect and become operative if and when the proposed
17 amendment of Article VII, Section 21 of the Constitution of Louisiana contained in the Act
18 which originated as House Bill No. 23 of this 2020 First Extraordinary Session of the
19 Legislature is adopted at a statewide election and becomes effective.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 28 Reengrossed 2020 First Extraordinary Session Dwight

Abstract: Authorizes agreements for strategic investments to maximize parish and local economies authorizing payments in lieu of taxes, between political subdivisions and taxpayers, that may grant ad valorem tax exemptions.

Present constitution authorizes certain parishes, municipalities, school boards, and other special districts to levy an ad valorem property tax.

Present constitution establishes the exclusive list of ad valorem property tax exemptions.

Proposed law authorizes a taxpayer and any governing authority of a political subdivision to enter into an agreement for strategic investments to maximize parish and local economies authorizing payments in lieu of taxes.

Proposed law authorizes political subdivisions within the parish to grant future tax credits for up to nine years in exchange for up to two years of ad valorem payments within an agreement authorizing payment in lieu of taxes.

Proposed law provides that title or ownership of property subject to an agreement for strategic investments to maximize parish and local economies authorizing payments in lieu of taxes shall remain with the property owner during the time the cooperative endeavor agreement is in effect.

Proposed law defines a political subdivision as a parish, municipality, and any other unit of local government, including a school board or special district, authorized to levy an ad valorem property tax.

Present law defines a "cooperative endeavor agreement" as a form of economic development assistance between and among the state and local governments and other entities.

Proposed law retains present law and adds "agreements providing for payments in lieu of taxes" to the definition of "cooperative endeavor agreement".

Effective if and when the constitutional amendment in House Bill No. 23 of this 2020 First Extraordinary Session is adopted at a statewide election and becomes effective.

(Amends R.S. 33:9021(8) and (10) and 9022(1); Adds R.S. 33:2760)

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Remove provisions allowing certain political subdivisions to collect ad valorem taxes.
2. Remove provisions allowing a single political subdivision to act as an agent on behalf of other political subdivisions within a parish.
3. Make technical changes.