

2018 Regular Session

HOUSE BILL NO. 597

BY REPRESENTATIVE HAVARD

TAX/AD VALOREM TAX: Authorizes a local taxing authority to enter into advance tax payment agreements with certain taxpayers for purposes of funding transportation and infrastructure improvement projects

1 AN ACT

2 To enact R.S. 47:2139, to provide with respect to ad valorem property tax; to authorize a
3 local taxing authority to enter into certain agreements concerning payment of ad
4 valorem property taxes; to establish requirements for the agreements; to provide for
5 the use of monies paid under an agreement; to authorize a local taxing authority to
6 issue ad valorem property tax credits under certain circumstances; to provide for
7 effectiveness; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:2139 is hereby enacted to read as follows:

10 §2139. Advance tax payment agreement; ad valorem tax; credits; transportation and
11 infrastructure improvement project

12 A. Agreement. (1) A local taxing authority may enter into an advance tax
13 payment agreement with a taxpayer to provide for the advance payment of certain
14 ad valorem taxes in exchange for the issuance of tax credits by the local taxing
15 authority to the taxpayer, hereinafter referred to as "agreement". Subject to any
16 restrictions on the use of revenues derived from specific millages, monies collected
17 by the local taxing authority pursuant to each agreement shall be expended on a
18 specific transportation and infrastructure improvement project, hereinafter referred
19 to as "project", as required by the agreement.

1 (2). At a minimum, an agreement shall contain all of the following
2 provisions:

3 (a) A statement of the public purpose served by the agreement, including a
4 detailed description of the project and an economic impact statement.

5 (b) A feasibility study and conceptual design for the project, and the
6 proposed date for acquisition, construction, or improvement of the project.

7 (c) The terms of the agreement regarding the timing and amounts of advance
8 taxes to be paid in exchange for the issuance of tax credits.

9 (d) Evidence that the head of the governing authority of any affected
10 political jurisdiction that is not a party to the agreement has received a copy of the
11 agreement and has stated no objection to the project.

12 B. Tax credits. As provided in the agreement, the taxpayer shall be entitled
13 to ad valorem tax credits issued by the taxing authority in an amount equal to the
14 amount of advance tax payments made under the agreement.

15 Section 2. This Act shall become effective upon signature by the governor or, if not
16 signed by the governor, as provided by Article III, Section 18 of the Constitution of
17 Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act
18 shall become effective on the day following such approval.

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 597 Draft

2018 Regular Session

Havard

Abstract: Authorizes a local taxing authority to enter into an agreement for advance payment of property taxes in exchange for property tax credits for the purposes of support of transportation and infrastructure improvement projects.

Proposed law authorizes a local taxing authority to enter into an advanced tax payment agreement ("agreement") with a taxpayer to provide for the advance payment of certain property taxes in exchange for issuance of property tax credits to the taxpayer.

Proposed law provides that subject to any restrictions on the use of revenues derived from specific millages, monies collected by the local taxing authority pursuant to each agreement shall be expended on a specific transportation and infrastructure improvement project.

Proposed law provides minimum requirements for an agreement to include such as specific terms of the agreement, feasibility studies, and a statement of the public purpose of the agreement.

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

(Adds R.S. 47:2139)