

2015 Regular Session

SENATE BILL NO. 193

BY SENATOR THOMPSON

SPECIAL DISTRICTS. Authorizes the Walnut Street Special District as a tax increment finance district in the city of Monroe. (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 special districts; to create the Walnut Street Special District; to provide for the
4 governance and the powers and duties of the district, including tax, bond, and tax
5 increment finance authority; and to provide for related matters.

6 Notice of intention to introduce this Act has been published.

7 Be it enacted by the Legislature of Louisiana:

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

10 §9038.31. Definitions

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

13 * * *

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

1 administered and governed by a board of commissioners as follows:

2 (a) The mayor of the city of Monroe, or his designee.

3 (b) The chair of the Monroe City Council, or his designee.

4 (c) The President/CEO of the Monroe-West Monroe Convention and
5 Visitor's Bureau of Ouachita Parish, or his designee.

6 (d) Any person who is an owner of property within the district, or an
7 authorized representative of an entity which is an owner of property within the
8 district, if such person or authorized representative applies to the board for
9 membership on the board, or that person's or representative's designee.

10 (2) A majority of the members of the board shall constitute a quorum for
11 the transaction of business. The board shall keep minutes of all meetings and
12 shall make them available for inspection through the board's secretary. The
13 minute books and archives of the district shall be maintained by the board's
14 secretary. The monies, funds, and accounts of the district shall be in the official
15 custody of the board.

16 (3) The board shall adopt bylaws and prescribe rules to govern its
17 meetings. The members of the board shall serve without salary or per diem and
18 shall be entitled to reimbursement for reasonable, actual, and necessary
19 expenses incurred in the performance of their duties.

20 (4) The domicile of the board shall be established by the board at a
21 location within the city of Monroe.

22 (5) The board shall elect from its own members a president and
23 secretary, whose duties shall be common to such offices or as may be provided
24 by bylaws adopted by the district. The board shall hold regular meetings and
25 may hold special meetings as provided in the bylaws. All such meetings shall be
26 public meetings subject to the provisions of R.S. 42:4.1 et seq.

27 E. Rights and powers. In addition to the taxing, tax increment finance,
28 and bonding authority provided for in Subsection F of this Section, the district,
29 acting by and through its board of commissioners, shall have and exercise all

1 powers of a political subdivision and a special district necessary or convenient
2 for the carrying out of its objects and purposes including but not limited to the
3 following:

4 (1) To sue and to be sued.

5 (2) To adopt bylaws and rules and regulations.

6 (3) To receive by gift, grant, or donation any sum of money, property, aid
7 or assistance from the United States, the state of Louisiana, or any political
8 subdivision thereof, or any person, firm, or corporation.

9 (4) For the public purposes of the district to enter into contracts,
10 agreements or cooperative endeavors with the state and its political subdivisions
11 or political corporations and with any public or private association,
12 corporation, business entity, or individual.

13 (5) Appoint officers, agents, and employees, prescribe their duties, and
14 fix their compensation.

15 (6) To acquire by gift, grant, purchase, lease, or otherwise such property
16 as may be necessary or desirable for carrying out the objectives and purposes
17 of the district and to mortgage and sell such property.

18 (7) In its own name and on its own behalf to incur debt and to issue
19 bonds, notes, certificates, and other evidences of indebtedness. For this purpose
20 the district shall be deemed and considered to be an issuer for purposes of R.S.
21 33:9037 and shall, to the extent not in conflict with this Section, be subject to the
22 provisions of R.S. 33:9037.

23 (8) Establish such funds or accounts as are necessary for the conduct of
24 the affairs of the district.

25 (9) To do all things reasonably necessary to accomplish the purposes of
26 this Section.

27 (10) To designate by ordinance any territory within the district as a
28 subdistrict in which shall be exercised, to the exclusion of the remainder of the
29 district, any authority provided to the district by Subsection F of this Section or

1 any other provision of this Section or other law.

2 F. Taxing, tax incremental financing, and bonding authority. (1) To
3 provide for the costs of a project to fund infrastructure within the district, the
4 district shall have such tax increment finance authority, taxing authority, and
5 other authority that is provided to local governmental subdivisions in Part II of
6 Chapter 27 of Title 33 of the Louisiana Revised Statues of 1950, including but
7 not limited to: ad valorem tax increment financing and bonding in R.S.
8 33:9038.33; sales tax increment financing and bonding in R.S. 33:9038.34;
9 cooperative endeavor authority in R.S. 33:9038.35; bond authority in R.S.
10 33:9038.38; and ad valorem, sales tax, and hotel occupancy tax authority in R.S.
11 33:9038.39. The project to fund infrastructure within the district is hereby
12 deemed to be an "economic development project" within the meaning provided
13 for in that Part.

14 (2) Notwithstanding any provision of Part II of Chapter 27 of Title 33 of
15 the Louisiana Revised Statues of 1950 or any other law to the contrary, any
16 powers, authorities, or duties granted under such laws may be restricted to a
17 subdistrict the territory of which shall be established by ordinance of the board
18 of commissioners of the district.

19 G. Project financing. The district may pledge any taxes collected under
20 the authority of this Section to any economic development project in
21 furtherance of the purposes of the district. Such financing may include but shall
22 not be limited to loans, mortgages, the issuance of bonds, or the issuance of
23 certificates of indebtedness.

24 H. Term. The district shall dissolve and cease to exist one year after the
25 date all bonds, notes, and other evidences of indebtedness of the district,
26 including refunding bonds are paid in full as to both principal and interest;
27 however, under no event shall the district have an existence of less than three
28 years.

29 I. Liberal Construction. This Section, being necessary for the welfare of

1 the city of Monroe and its residents, shall be liberally construed to effect the
 2 purposes thereof.

3 Section 3. This Act shall become effective upon signature by the governor or, if not
 4 signed by the governor, upon expiration of the time for bills to become law without signature
 5 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 6 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 7 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 Ann S. Brown.

DIGEST

SB 193 Engrossed

2015 Regular Session

Thompson

Proposed law creates the Walnut Street Special District in the city of Monroe as a special district and political subdivision of the state to provide for cooperative economic development between the district, the city of Monroe, and the owner or owners of businesses and other property within the district in order to provide for costs related to infrastructure within the district as determined by the board of commissioners of the district.

The district is to be comprised of the area of the city of Monroe in the blocks of 108-128 Walnut Street in the city of Monroe to Art Alley (2nd Street), an area of approximately one city block which must be further defined by an ordinance of the board of commissioners of the district. The board of the district is given specific authority to designate by ordinance any territory within the district as a subdistrict in which shall be exercised, to the exclusion of the remainder of the district, any authority granted to the district by the tax increment finance authority in present law or any other provision law.

The district is to be administered by a board of commissioners as follows:

- (1) The mayor of the city of Monroe, or his designee.
- (2) The chair of the Monroe City Council, or his designee.
- (3) The President/CEO of the Monroe-West Monroe Convention and Visitor's Bureau of Ouachita Parish, or his designee.
- (4) Any person who is an owner of property within the district, or an authorized representative of an entity which is an owner of property within the district, if such person or authorized representative applies to the board for membership on the board, or that person's or representative's designee.

The members of the board serve without salary or per diem and are entitled to reimbursement for reasonable, actual, and necessary expenses incurred in the performance of their duties.

The board must elect from its own members a president and secretary, whose duties shall be common to such offices or as may be provided by bylaws adopted by the district. All meetings are public meetings subject to the provisions of R.S. 42:4.1 et seq. The domicile of the board must be established by the board at a location within the city of Monroe.

The district has the rights and powers common to special districts including to incur debt and issue bonds, notes, and other indebtedness in its own name and on its own behalf.

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 the Walnut Street Special District as an "issuer" and a "local governmental subdivision for purposes of utilizing such TIF authority in present law."

Proposed law specifically grants to the district 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 deems the project to fund infrastructure within the district to be an "economic development project" within the meaning of the TIF laws.

The district may also pledge any taxes collected under the authority of this Section to any economic development project in furtherance of the purposes of the district. Such financing may include but shall not be limited to loans, mortgages, the issuance of bonds, or the issuance of certificates of indebtedness.

The district must dissolve and cease to exist one year after the date all indebtedness of the district is paid in full as to both principal and interest; however, under no event can the district have an existence of less than three years.

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 Local and Municipal Affairs to the original bill

1. Limits the method by which the district may receive money, property or aid from public and private entities to gifts, grants or donations only.
2. Technical amendments.