

Regular Session, 2012

HOUSE BILL NO. 1103

BY REPRESENTATIVE LEGER

DISTRICTS/SPECIAL: Provides relative to the La. Sports and Entertainment District

1 AN ACT

2 To amend and reenact R.S. 33:130.842(A) and to enact R.S. 33:130.845(10), relative to the
3 Louisiana Sports and Entertainment District; to revise the boundaries of the district;
4 to provide procedures regarding the dedication of certain state of Louisiana sales tax
5 increments for district purposes; and to provide for related matters.

6 Notice of intention to introduce this Act has been published
7 as provided by Article III, Section 13 of the Constitution of
8 Louisiana.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 33:130.842(A) is hereby amended and reenacted and R.S.
11 33:130.845(10) is hereby enacted to read as follows:

12 §130.842. Louisiana Sports and Entertainment District; creation; territorial
13 jurisdiction

14 A. The Louisiana Sports and Entertainment District, a body politic and
15 corporate, referred to in this Subpart as the "district", is hereby created in the city of
16 New Orleans, referred to in this Subpart as the "city". The district shall be
17 comprised of ~~all the property bounded by Poydras Street, Loyola Avenue, Girod~~
18 ~~Street, South Liberty Street, Julia Street, Le Rouge Street, Howard Avenue, and~~
19 ~~South Claiborne Avenue, referred to in this Subpart as the "property".~~ the property
20 within the following boundaries, referred to in this Subpart as the "property": from
21 the intersection of Poydras and LaSalle Streets, commence in a northerly direction

1 on LaSalle Street to Gravier Street; thence along Gravier Street to Loyola Avenue;
 2 thence along Loyola Avenue to Girod Street; thence along Girod Street to South
 3 Liberty Street; thence along South Liberty Street to Julia Street; thence along Julia
 4 Street to LeRouge Street; thence along LeRouge Street to Howard Avenue; thence
 5 along Howard Avenue to South Claiborne Avenue; thence along South Claiborne
 6 Avenue to Poydras Street; and thence along Poydras Street to its intersection with
 7 LaSalle Street, as all such streets are presently named.

8 * * *

9 §130.845. Rights and powers

10 The district, acting by and through its board, shall have and exercise all
 11 powers of a political subdivision necessary or convenient for the carrying out of its
 12 objects and purposes, including but not limited to the following in addition to the
 13 other rights and powers set out in this Subpart:

14 * * *

15 (10) Notwithstanding any other provisions of law to the contrary, and subject
 16 to dedication by law, state of Louisiana sales tax increments may be dedicated to the
 17 district to be used for district purposes. State of Louisiana sales tax increments
 18 dedicated for district purposes shall not exceed the aggregate portion of the local
 19 sales tax increments dedicated for district purposes. Prior to the dedication of any
 20 state sales tax increments to pay revenue bonds of the district, the commissioner of
 21 administration shall submit the proposed cooperative endeavor agreement providing
 22 for such dedication to the Joint Legislative Committee on the Budget for approval.
 23 The submittal shall also include a written evaluation and determination by the
 24 division of administration of the anticipated increase in state sales tax revenues to be
 25 collected within the state over state sales tax revenues that were collected within the
 26 state in the year immediately prior to the year in which the district was created that
 27 would be a direct result of the activities taking place within the district. In
 28 determining whether to approve the dedication of state sales tax increments, the Joint
 29 Legislative Committee on the Budget shall take into account whether the city has

1 agreed to the dedication of a portion of the city's sales tax to the district, including
 2 the length of time for such dedication and the amount of any dedication. Provided
 3 the commissioner of administration has obtained the approval of the Joint Legislative
 4 Committee on the Budget as required by this Paragraph, no other approvals with
 5 respect to such cooperative endeavor agreement shall be required, except that the
 6 approval of the State Bond Commission shall be required only to the extent that state
 7 sales tax increments make up all or any portion of the revenue source pledged to the
 8 payment of bonds of the district.

9 Section 2. This Act shall become effective upon signature by the governor or, if not
 10 signed by the governor, upon expiration of the time for bills to become law without signature
 11 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 12 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 13 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)]

Leger

HB No. 1103

Abstract: Relative to the La. Sports and Entertainment District and the use of state sales tax increments for tax increment financing, changes certain procedures for the approval of the use of such state sales tax increments.

Present law creates the La. Sports and Entertainment District as a political subdivision of the state located in the city of New Orleans. Provides that the district is created to provide for cooperative economic and community development among the district, the city, the state, and the owners of property in the district, to enhance the development of and improvement to the property within the area of the district, and to expand the entertainment and leisure activities within the district. Provides for district boundaries and governance. Proposed law retains present law but makes changes to district boundaries.

Present law provides for the rights and powers of the district, including the power to implement tax increment financing as authorized in present law (R.S. 33:9038.33 and 9038.34) for economic development districts. Prohibits the district from exercising the power of taxation.

Proposed law retains present law except makes changes in procedures relative to the approval of the dedication of state sales tax increments for economic development projects affecting the district. Proposed law additionally provides that state sales tax increments dedicated for district purposes shall not exceed the aggregate portion of the local sales tax increments dedicated for district purposes.

Present law (R.S. 33:9038.34(A)(6)), in part, requires that, prior to the dedication of any state sales tax increments to pay revenue bonds for a local economic development project, the secretary of the Dept. of Economic Development (DED) shall submit the proposed project to the Joint Legislative Committee on the Budget for approval and shall include a written evaluation and determination by DED, with input from and certification by the Dept. of Revenue, of the anticipated increase in state sales tax revenues to be collected within the state over such revenues that were collected within the state in the year immediately prior to the year the project is submitted to the committee that would be a direct result of the project.

Proposed law requires that the commissioner of administration (instead of DED) submit the proposed cooperative endeavor agreement to the Joint Legislative Committee on the Budget for approval. Removes requirement that the submittal include a written evaluation and determination by DED and requires, instead, that the submittal include a written evaluation and determination by the division of administration of the anticipated increase in state sales tax revenues to be collected within the state over the state sales tax revenues that were collected within the state in the year immediately prior to the year in which the district was created that would be a direct result of the activities taking place within the district. Proposed law further requires the Joint Legislative Committee on the Budget, in determining whether to approve the dedication of state sales tax increments, to take into account whether the city of New Orleans has agreed to dedicate city sales tax for a local economic development project(s) in the district, including the length of time for and the amount of any such dedication.

Proposed law provides that if the commissioner of administration obtains approval of the Joint Legislative Committee on the Budget, no other approval with respect to the cooperative endeavor agreement is needed, except the approval of the State Bond Commission is required only to the extent that the state sales tax increments make up all or any portion of the revenue source pledged to the payment of bonds of the district.

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

(Amends R.S. 33:130.842(A); Adds R.S. 33:130.845(10))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Municipal, Parochial and Cultural Affairs to the original bill.

1. Clarifies that La. sales tax increments, rather than sales taxes, may be dedicated to the district.
2. Adds provision that prohibits state sales tax increments from exceeding the aggregate portion of the local sales tax increments dedicated for district purposes.
3. Relative to the submittal of the local economic development project to the Joint Legislative Committee on the Budget for approval, additionally requires that the submittal include a written evaluation and determination by the division of administration. Provides relative to the contents of the submittal.

House Floor Amendments to the engrossed bill.

1. Changes the district's boundaries.
2. Clarifies that the maximum La. sales tax increments dedicated for district purposes is the local sales tax increments dedicated for district purposes.

3. Relative to the submission of a cooperative endeavor agreement to the Joint Legislative Committee on the Budget (JLCB) for approval, requires that the commissioner of administration submit the agreement, rather than the district.
4. Relative to the written evaluation by the division of administration, requires that it include the anticipated increase in the state sales tax revenues to be collected over the amount collected in the year immediately prior to the year the district was created, rather than the year immediately prior to the year the project is submitted to the JLCB. Additionally requires the evaluation to include the anticipated state sales tax revenues to be collected that would be a direct result of the activities taking place within the district, rather than those that would be a direct result of the project.