

Regular Session, 2010

HOUSE BILL NO. 957

BY REPRESENTATIVE LORUSSO

DISTRICTS/TAXING: Creates the Lake Area Taxing District in Orleans Parish

1 AN ACT

2 To enact R.S. 33:9038.64, relative to Orleans Parish; to create and provide for the Lake Area
3 Taxing District within the parish; to provide relative to the boundaries, purpose, and
4 governance of the district; to provide relative to the powers and duties of the district
5 including the power to provide for tax increment financing; to provide for the term
6 of the district; and to provide for related matters.

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

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 33:9038.64 is hereby enacted to read as follows:

12 §9038.64. Lake Area Taxing District; parish of Orleans

13 A. Creation. The Lake Area Taxing District, a special taxing district and
14 political subdivision of the state, referred to in this Section as the "district", is hereby
15 created within the parish of Orleans.

16 B. Boundaries. The district shall be comprised of the area of the parish of
17 Orleans lying within the following perimeter: commencing at the intersection of
18 City Park Avenue and Orleans Avenue, west along City Park Avenue to its
19 intersection with Metairie Road, continue west along Metairie Road to its
20 intersection with the 17th Street Canal, then north along the 17th Street Canal to its
21 intersection with Lake Pontchartrain, continue east along Lake Pontchartrain then
22 east along the northern boundary of Breakwater Park, continue east along the

1 northern boundary of Lake Shore Park, then south along the eastern boundary of
2 Lake Shore Park to its intersection with Robert E. Lee Boulevard, then west along
3 Robert E. Lee Boulevard to its intersection with Orleans Avenue, then south along
4 Orleans Avenue to the point of beginning.

5 C. Purpose. The district is created to provide for cooperative economic
6 development between the district, the city of New Orleans, and the owner or owners
7 of businesses and property within the district in order to provide for supplemental
8 maintenance, repair, and upkeep to the streets and alleyways and related
9 infrastructure of the district.

10 D.(1) Governance. In order to provide for the orderly development of the
11 district and to effectuate the purposes of the district, the district shall be administered
12 and governed by an eleven-member board of commissioners, referred to in this
13 Section as the "board". The board shall be composed as follows:

14 (a) Three members shall be appointed by the member or members of the
15 Louisiana House of Representatives who represent the area that comprises the
16 district.

17 (b) Three members shall be appointed by the member or members of the
18 Louisiana Senate who represent the area that comprises the district.

19 (c) Three members shall be appointed by the member or members of the
20 governing authority of the city of New Orleans who represent the area that comprises
21 the district.

22 (d) Two members shall be appointed by the mayor of the city of New
23 Orleans.

24 (2) All members shall be residents and qualified voters of the district.

25 (3)(a) Members shall serve terms concurrent with the respective appointing
26 authority.

27 (b) Notwithstanding any provision of law to the contrary, including R.S.
28 42:2, upon the expiration of any term of any appointed member, that position on the

1 board shall immediately become vacant and shall be filled in accordance with the
2 provisions of Subparagraphs (1)(a) through (d) of this Subsection.

3 (4) As soon as practicable after its appointment, the board shall meet and
4 elect from its members a chairman, a vice chairman, a treasurer, and such other
5 officers as it may deem appropriate. A secretary of the board may be selected from
6 among the members or may be otherwise selected or employed by the board. The
7 duties of the officers shall be fixed by bylaws adopted by the board.

8 (5) The board shall adopt such rules and regulations as it deems necessary
9 or advisable for conducting its business and affairs and shall engage such assistants
10 and employees as is needed to assist the board in the performance of its duties. It
11 shall hold regular meetings as shall be provided by its bylaws and may hold special
12 meetings at such times and places within or without the district's boundaries as may
13 be prescribed in its rules or regulations.

14 (6) A majority of the members of the board shall constitute a quorum for the
15 transaction of business. The board shall keep minutes of all regular and special
16 meetings and shall make them available to the public in conformance with law.

17 (7) The members of the board shall serve without compensation and shall not
18 receive reimbursement for expenses.

19 E. Rights and powers. (1) The district, acting by and through its board of
20 commissioners, shall have and exercise all powers of a political subdivision and
21 special taxing district necessary or convenient for the carrying out of its objects and
22 purposes, including but not limited to the following:

23 (a) To sue and be sued.

24 (b) To adopt bylaws and rules and regulations.

25 (c) To receive by gift, grant, donation, or otherwise any sum of money,
26 property, aid, or assistance from the United States, the state of Louisiana, or any
27 political subdivision thereof, or any person, firm, or corporation.

28 (d) For the public purposes of the district, to enter into contracts, agreements,
29 or cooperative endeavors with the state and its political subdivisions or political

1 corporations and with any public or private association, corporation, business entity,
2 or individual.

3 (e) To appoint officers, agents, and employees, prescribe their duties, and fix
4 their compensation. The board may appoint or hire an executive director as it deems
5 necessary for the purpose of carrying out its day-to-day work operations for
6 convenience and effectiveness in the administration of plans. The board may
7 contract with consultants for project management and with developers or planners
8 for such services as it may require. The board may delegate certain authority to its
9 employees, consultants, and executive director to act on its behalf, which delegation
10 of authority shall be specific and in writing.

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

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

19 (h) To establish such funds or accounts as are necessary for the conduct of
20 the affairs of the district.

21 (2) The board shall prepare an annual budget of its operating expenses, the
22 total amount of which, exclusive of gifts, shall be within the total amounts
23 appropriated for the purpose by the board.

24 (3) The board of commissioners shall have an annual audit of its operating
25 expenses available for public review.

26 F. Term. The district shall dissolve and cease to exist one year after the date
27 all bonds, notes, and other evidences of indebtedness of the district, including
28 refunding bonds, are paid in full as to both principal and interest; however, under no

1 event shall the district have an existence of less than three years or more than ten
2 years.

3 G. Tax increment financing. (1)(a) Except as provided in Subparagraphs
4 (b) and (c) of this Paragraph, the board shall have all authorities provided for in R.S.
5 33:9038.34 to implement sales tax increment financing; however, any tax or portion
6 of a tax which has been previously dedicated to another purpose according to a
7 proposition approved by voters shall be used as such a tax increment only if
8 approved by a majority of the registered voters of the taxing authority levying the tax
9 voting on the proposition at an election held for such purpose in accordance with the
10 Louisiana Election Code.

11 (b) Notwithstanding the provisions of R.S. 33:9038.34(A)(6), state of
12 Louisiana sales tax increments shall not be dedicated to pay the revenue bonds of a
13 local economic development project.

14 (c) The board shall not implement sales tax increment financing pursuant to
15 R.S. 33:9038.34 without the prior approval of the governing authority of the city of
16 New Orleans.

17 (2)(a) The board shall designate the boundaries of a sales tax area and shall
18 designate the local sales taxes which are to be used in determining the sales tax
19 increments and the initial annual baseline collection rate for the sales tax area, which
20 shall be the amount of such designated sales taxes collected in the sales tax area in
21 the fiscal year that the district most recently completed prior to the establishment of
22 the sales tax area. In addition, a monthly baseline collection rate shall be determined
23 by dividing the initial annual baseline collection rate by twelve.

24 (b) The initial annual baseline collection rate and the monthly baseline
25 collection rate shall be certified by the chief financial officer for the parish of
26 Orleans. The certification shall also be published one time in the official journal of
27 the parish of Orleans.

28 (c) If the amounts of the initial annual baseline collection rate and the
29 monthly baseline collection rate are not contested within thirty days after the

1 publication, then such amounts shall be conclusively presumed to be valid, and no
 2 court shall have any jurisdiction to alter or invalidate the designation of the amount
 3 of either the initial annual baseline collection rate or the monthly baseline collection
 4 rate.

5 H. Liberal construction. This Section, being necessary for the welfare of the
 6 district and its residents, shall be liberally construed to effect the purposes thereof.

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

Lorusso

HB No. 957

Abstract: Creates the Lake Area Taxing District, in the parish of Orleans, as a special taxing district to provide for cooperative economic development between the district, the city of New Orleans, and the owner or owners of businesses and property within the district. Authorizes the district to provide for the use of sales tax increment financing.

Proposed law creates the Lake Area Taxing District in the parish of Orleans as a special taxing district and political subdivision of the state to provide for cooperative economic development between the district, the city of New Orleans, and the owner or owners of businesses and property within the district in order to provide for supplemental maintenance, repair, and upkeep to the streets and alleyways and related infrastructure of the district. Provides for district boundaries.

Proposed law provides that the district shall be administered and governed by an eleven-member board of commissioners. Provides that the board shall be composed as follows:

- (1) Three members appointed by the member(s) of the La. House of Representatives who represent the area that comprises the district.
- (2) Three members appointed by the member(s) of the La. Senate who represent the area that comprises the district.
- (3) Three members appointed by the member(s) of the governing authority of the city of New Orleans who represent the area that comprises the district.
- (4) Two members appointed by the mayor of the city of New Orleans.

Proposed law requires members to be residents and qualified voters of the district. Provides that the terms of members shall be concurrent with the appointing authority.

Proposed law provides that the district, through its board, shall have and exercise all powers of a political subdivision and special taxing district necessary or convenient for the carrying out of its objects and purposes, including but not limited to the following:

- (1) To sue and be sued.
- (2) To adopt bylaws and rules and regulations.
- (3) To receive any sum of money, property, or assistance from the U.S., the state of La., or any political subdivision thereof, or any person, firm, or corporation.
- (4) To enter into contracts, agreements, or cooperative endeavors with the state and its political subdivisions or political corporations and with any public or private association, corporation, business entity, or individual.

Proposed law specifically gives the district the power to incur debt and to issue bonds, notes, certificates, and other evidences of indebtedness.

Proposed law requires the board to prepare an annual budget of its operating expenses. Further requires the board to have an annual audit of its operating expenses available for public review.

Proposed law provides that the district shall dissolve and cease to exist one year after the date all bonds, notes, and other evidences of indebtedness of the district are paid; however, under no event shall the district have an existence of less than three years or more than 10 years.

Proposed law provides that the board shall have authority to implement sales tax increment financing, subject to voter approval. Prohibits the dedication of state sales tax increments to pay the revenue bonds of a local economic development project. Requires the board to receive the approval of the governing authority of the city of New Orleans prior to implementing sales tax increment financing.

Proposed law requires the board to designate the boundaries of a sales tax area and to designate the local sales taxes which are to be used in determining the sales tax increments and the initial annual baseline collection rate and monthly baseline collection rate for the sales tax area, which shall be the amount of such designated sales taxes collected in the sales tax area in the fiscal year that the district most recently completed prior to the establishment of the sales tax area.

Proposed law provides that the initial annual baseline collection rate and the monthly baseline collection rate shall be certified by the chief financial officer of Orleans Parish. The certification shall also be published one time in the official journal of Orleans Parish.

Proposed law provides that if the amounts of the initial annual baseline collection rate and the monthly baseline collection rate are not contested within 30 days after publication, then such amounts shall be conclusively presumed to be valid, and no court shall have any jurisdiction to alter or invalidate the designation of the amount of either the initial annual baseline collection rate or the monthly baseline collection rate.

Proposed law provides that proposed law, being necessary for the welfare of the district and its residents, shall be liberally construed to effect the purposes thereof.

(Adds R.S. 33:9038.64)

Summary of Amendments Adopted by House

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

1. Changes a provision of proposed law to clarify that the board may hold special meetings within or without the district's boundaries.
2. Adds a requirement that the board receive the approval of a majority of the registered voters, rather than a majority of the voters, of the taxing authority levying a tax prior to implementing tax increment financing. Adds a requirement that the election to approve the use of tax increment financing be held in accordance with the La. Election Code.
3. Remainder of amendments are technical.

House Floor Amendments to the engrossed bill.

1. Relative to the membership of the board, increases the membership from nine to 11 and changes the membership by granting two additional appointments to each of the following persons who represent the area that comprises the district: the member(s) of the La. House of Representatives, the member(s) of the La. Senate, and the member(s) of the governing authority of the city of New Orleans. Grants an additional appointment to the mayor. Removes provisions that provide that the presidents of various neighborhood associations or their designees serve on the board.
2. Removes provisions that require appointed members to be residents of Lakeview. Removes provisions that require at least one member to reside in South Lakeview and at least one member to reside in West Lakeview.
3. Removes provisions that members serve until their successors have been appointed and qualified. Removes provisions that require any vacancy which occurs in the membership of the board to be filled in the same manner as the original appointment. Adds a provision that, upon the expiration of a term, that position is immediately vacant and to be filled in accordance with the provisions of proposed law.