Parish to forego $2 billion
Deal may have violated La.'s public meetings law

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Elected officials with the Calcasieu Parish Police Jury, School Board and Sheriff's Office recently approved a motion to not collect more than $2 billion worth of industrial property tax over the next 10 years as an incentive to bring Driftwood LNG, a $15.2 billion subsidiary of Tellurian Inc., to Southwest Louisiana.
If approved by Gov. John Bel Edwards later this week, Driftwood's participation in the Industrial Tax Exemption Program, an 84-year-old, state-funded business incentive program, will be one of the largest corporate tax exemptions in U.S. history.
Each entity approved the motion unanimously in early November, with little debate. They agreed to forego hundreds of millions of dollars in collections for their respective entities and, ultimately, $1 billion in collections for the entire parish. If local governments required Driftwood to pay only 1 percent of its estimated $2 billion, 10-year property tax bill, public revenues would see an increase of $20 million.

Unlisted information
Public agendas did not mention the exact figures, estimates, calculations and studies concerning the total cost of the property tax exemption. Instead, each entity published a "unified recommendation" drafted by the Calcasieu Parish Taxing Authority-ITEP "group." It listed only the 200 jobs and $34.3 million in payroll to be created at the project site; the terms of the five-year exemption contract; the percentage of property eligible for the Industrial Tax Exemption Program (100 percent); and the loss of exemption amount for industry non-compliance (100 percent).
At the CPSB meeting, Wilfred Bourne, chief financial officer; mentioned the positive sales tax effect industries have on the local economy and explained how the taxing authority does a long-range analysis before bringing the issue to the boards.
Richard "R.B." Smith, vice president of business and workforce development for the SWLA Economic Development Alliance, told board members that approval, such as Driftwood's are necessary for the region to remain competitive with other states.
essentially bars elected official
candidates in their efforts to
mitigate competition. The
important point to remember
is that a public transportation
system is not a business, but it is
a government service provided
to the public. As such, the
Comptroller’s office
wants to ensure that any
private sector involvement
is in the best interests of the
community as a whole.

The transportation
authority is also
considering ways to
reduce operating costs.
One proposal is to
outsourcing some
services to private
companies. Another
option is to
increase fares, but
this would require
public input and
discussion. The
authority will
continue to work
towards finding
sustainable solutions
to its fiscal challenges.

References:
1. Texas Association of
Communities
2. Tulsa Transit
3. Greater Cleveland
Regional Transportation Authority

Sources: D. Ginsburg, "Understanding
the Importance of Public Transportation";
T. Brown, "Private Sector Involvement in
Public Transportation Systems"; K. Johnson,
"Sustainable Transportation Solutions: A
Case Study of Cleveland Metroparks"

September 14, 2018
T. Brown presents
sustainable transportation
solutions to the
transportation
authority.

September 20, 2018
CPTA approves revised rules for
public transportation meetings.

October 8, 2018
CPTA approves
revised rules for
public input.

A timeline of industrial tax
deductions in Louisiana
1936-2018

From 1936 to 2016, the Louisiana
economic development
program provided tax
benefits to encourage
businesses to relocate
to Louisiana. However,
the program has faced
controversy and scrutiny.

Local governments
continue to offer tax
deductions to attract
businesses. However,
public opinion has
turned against this
practice in recent years.

Sources: Louisiana Economic
Development, Louisiana Public
Broadcasting, The Advocate,
Times-Picayune

June 24, 2016
Gov. John Bel Edwards
promotes tax
reform to attract
businesses.

June 29, 2016
Tellier puts in their
application for tax
deferrals.

July 11, 2017
CPTA approves
tax deductions for
public transportation.

July 13, 2017
CPTA approves
tax deductions for
public transportation.

Sept. 20, 2018
CPTA approves
tax deductions for
public transportation.

Sept. 27, 2018
CPTA approves
tax deductions for
public transportation.

Oct. 9, 2018
CPTA approves
tax deductions for
public transportation.

Sources: Louisiana Economic
Development, Louisiana Public
Broadcasting, The Advocate,
Times-Picayune

The tax authority is
considering ways to
reduce costs and
increase revenue.

The transportation
authority will continue
to work towards
improving service
and increasing
transparency in its
operations.