

**BOARD OF TAX APPEALS
STATE OF LOUISIANA
LOCAL TAX DIVISION**

**NORTHWESTERN LOUISIANA CANCER CENTER, LLC
NATCHITOCHEES REGIONAL MEDICAL CENTER**

VERSUS

B.T.A. DOCKET NO. L01968

**LOUISIANA TAX COMMISSION
TIMOTHY PAGE, ASSESSOR FOR NATCHITOCHEES PARISH
STUART WRIGHT, SHERIFF OF NATCHITOCHEES PARISH**

INTERIM ORDER AND WRITTEN REASONS

On March 16, 2026, this matter came before the Board for hearing on the Cross-Motions for Summary Judgment filed by Northwestern Louisiana Cancer Center, LLC (“NLCC”) and Natchitoches Regional Medical Center (“NRMC”) (collectively “Petitioners”), Yolanda Reed,¹ in her capacity as the Natchitoches Parish Assessor (“Assessor”), and Stuart Wright, Sheriff of Natchitoches Parish (“Sheriff”), with Local Tax Judge Francis J. “Jay” Lobrano presiding.² Appearing before the Board were: Nicole Frey, attorney for the Petitioners; Brian Eddington, attorney for the Assessor; Robert Kennedy, Jr., attorney for the Sheriff; and Scott Wheat, Jr., attorney for the Louisiana Tax Commission.³ At the conclusion of the hearing, the Board took the matter under advisement. In accordance with the attached Written Reasons, the Board now issues the following Interim Order:

IT IS ORDERED that the Motion for Summary Judgment filed by the Assessor is DENIED.

IT IS FURTHER ORDERED that the Motion for Summary Judgment filed by the Sheriff is DENIED.

IT IS FURTHER ORDERED that the Cross Motion for Summary Judgment filed by NLCC and NRMC is GRANTED.

¹ Yolanda Reed assumed the office of Natchitoches Parish Assessor on January 1, 2025, and was substituted for former Assessor Timothy Page by Order of the Board signed July 8, 2025.

² The Sheriff filed a Motion for Summary Judgment on January 6, 2026, adopting the arguments advanced in the Motion for Summary Judgment filed by the Assessor on July 18, 2024.

³ The Louisiana Tax Commission did not file a Motion for Summary Judgment.

IT IS FURTHER ORDERED that Summary Judgment be and is hereby rendered in favor of the Northwestern Louisiana Cancer Center, LLC and the Natchitoches Regional Medical Center.

IT IS FURTHER ORDERED that Summary Judgment be and is hereby rendered against Yolanda Reed, in her capacity as the Natchitoches Parish Assessor, Stuart Wright, Sheriff of Natchitoches Parish, and the Louisiana Tax Commission.

IT IS FURTHER ORDERED that the immovable property owned by NLCC and leased to NRMC and assessed as Parcel #001104100A is exempt from ad valorem taxation under La. Const. Art. VII 21(A) for the 2023 tax year.

IT IS FURTHER ORDERED that the movable property owned by NLCC and leased to NRMC and assessed as Parcel #001104100 is exempt from ad valorem taxation under La. Const. Art. VII 21(A) for the 2023 tax year.

IT IS FURTHER ORDERED that NLCC's request for attorney's fees and cost is DENIED.

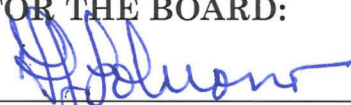
IT IS FURTHER ORDERED that on or before JUNE 15, 2026, the parties shall submit a proposed Judgment conforming to the Written Reasons attached herewith, and that this proposed Judgment shall contain and state the correct dollar amounts to be refunded to NLCC in accordance with the Written Reasons attached herewith.

IT IS FURTHER ORDERED that if the parties cannot agree on the form of a proposed Judgment, then each party shall submit a proposed Judgment together with a Memorandum in support thereof on or before JUNE 15, 2026. Each party shall be permitted to reply to the other party's proposed Judgment and accompanying memorandum on or before JUNE 30, 2026.

This is not a final Judgment and does not constitute an appealable Judgment as contemplated by La. R.S. 47:1410 and La. R.S. 47:1434.

SO ORDERED at Belle Chasse, Louisiana, this 14TH day of May, 2026.

FOR THE BOARD:



**CHAIRMAN FRANCIS J. "JAY" LOBRANO
LOCAL TAX JUDGE
LOUISIANA BOARD OF TAX APPEALS**

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WRITTEN REASONS

On March 16, 2026, this matter came before the Board for hearing on the Cross-Motions for Summary Judgment filed by Northwestern Louisiana Cancer Center, LLC (“NLCC”) and Natchitoches Regional Medical Center (“NRMC”) (collectively “Petitioners”), Yolanda Reed,¹ in her capacity as the Natchitoches Parish Assessor (“Assessor”), and Stuart Wright, Sheriff of Natchitoches Parish (“Sheriff”), with Local Tax Judge Francis J. “Jay” Lobrano presiding.² Appearing before the Board were: Nicole Frey, attorney for the Petitioners; Brian Eddington, attorney for the Assessor; Robert Kennedy, Jr., attorney for the Sheriff; and Scott Wheat, Jr., attorney for the Louisiana Tax Commission.³ At the conclusion of the hearing, the Board took the matter under advisement. The Board now issues the following Written Reasons for ruling:

Background⁴

NRMC is a Hospital Service District (“HSD”) and political subdivision of the state, located in Natchitoches, Louisiana. On October 19, 1955, the Natchitoches Parish Police Jury adopted an Ordinance pursuant to La. R.S. 46:1064 and 1072, thereby establishing the NRMC (the “Ordinance”). In 2005, NRMC joined with local

¹ Yolanda Reed assumed the office of Natchitoches Parish Assessor on January 1, 2025, and was substituted for former Assessor Timothy Page by Order of the Board signed July 8, 2025.

² The Sheriff filed a Motion for Summary Judgment on January 6, 2026, adopting the arguments advanced in the Motion for Summary Judgment filed by the Assessor on July 18, 2024.

³ The Louisiana Tax Commission did not file a Motion for Summary Judgment.

⁴ No party disputed any of the facts as recited in the parties’ respective pleadings and as submitted with each parties’ competent summary judgment evidence.

physicians to form NLCC, which financed the construction of the building that the NRMC would need to provide medical radiation oncology, chemotherapy services and radiation therapy in NRMC's service area. From 2005 to 2021, NRMC owned less than 100% of NLCC, with the physician group owning the remainder. In August 2021, NRMC purchased the membership interests of the physician group and as a result became the sole member of NLCC. Prior to this purchase, NLCC was treated as a partnership for federal and state income tax purposes, and filed Form 1065, US Return of Partnership Income. Once NRMC became the 100% owner of NLCC, NLCC's federal and state income tax classification changed to that of a disregarded entity, meaning all items of income and expense of NLCC were considered to be items of income and expense to NRMC.

Since NRMC became its sole member, NLCC's only business activity has been to lease its medical equipment, improvements consisting of a medical facility, and land to NRMC. Said property as a whole makes up the cancer treatment center located at 211 Medical Drive, Natchitoches, Louisiana, identified by Parcel Numbers 001104100A and 1011014000 (collectively, the "Property" or the "Cancer Center"). NRMC's CEO Damian Soileau is the sole manager of NLCC. Except for Mr. Soileau NLCC has no personnel or employees. The lease revenue paid by NRMC to NLCC for the Property rental is exclusively used to repay the loan used to build the Cancer Center. NRMC is the operator of the Cancer Center and provides oncology services and therapies to the residents of Natchitoches and the surrounding areas. NRMC is responsible for all of the expenses incurred in operating and maintaining the Cancer Center. NRMC reports the Cancer Center and all NLCC revenue on its books and in its annual audited financials to the Louisiana Legislative Auditor on a consolidated basis.

The Property is titled in NLCC's name. Prior to 2022, NLCC paid Natchitoches Parish ad valorem taxes assessed against the Property presumably because NRMC owned less than 100% of NLCC. For the 2022 tax year (not at issue in this particular matter), NLCC paid the ad valorem tax on the Property as it had since 2005. However, NLCC later sought a refund of the 2022 taxes pursuant to La. R.S.

47:2132(D) which, in certain limited circumstances, allows for a taxpayer to seek a refund of ad valorem taxes erroneously paid without having to comply with the payment under protest procedure applicable to a legality or correctness challenge. The assessor and Louisiana Tax Commission denied the refund, and NLCC appealed that denial to this Board which dismissed NLCC's appeal for the 2022 year on procedural grounds, which ruling was ultimately upheld by the Louisiana Supreme Court⁵. *Northwestern Louisiana Cancer Center, LLC v. Louisiana Tax Commission*, 2025-00833 (La. 11/5/25), 421 So. 3d 964.

On December 27, 2023, NLCC paid its 2023 ad valorem property taxes (the subject of these proceedings) assessed on the Cancer Center under protest in the combined amount of \$71,021.43 and complied with the statutory requirements to challenge the legality of an ad valorem tax. Petitioners filed the instant Petition with the Board on January 18, 2024, seeking a refund of the amounts paid under protest. The Petitioners maintain that the Cancer Center is owned and used by a political subdivision of the state of Louisiana to carry out a public purpose; or alternatively, is owned by a private entity but is dedicated exclusively to public use, and is therefore exempt from tax under La. Const. art. VII §21(A)⁶.

Summary Judgment Standard

The summary judgment procedure is favored and, by law, shall be construed to accomplish the ends for which it was designed: "to secure the just, speedy, and inexpensive determination of every action[.]" La. Code Civ. P. art. 966(A)(2).

⁵ On October 23, 2024, after the Cross-Motions for Summary Judgment had been set for hearing, the Assessor filed a Motion to Continuance without date. The reason for the continuance was the pendency of NLCC's litigation concerning the 2022 tax year. NLCC's Petition for 2022 had been initially filed with the LTC as refund claim. The LTC denied the refund and NLCC sought review with the Board. The 2022 Petition was docketed as B.T.A. Docket No. L01810. On March 14, 2024, the Board granted an exception filed by the Assessor in L01810 and dismissed the Petition. NLCC pursued its right to appeal, which was ultimately lodged with the Third Circuit. The Assessor's Motion for Continuance sought to stay the proceedings in this matter, concerning the 2023 tax year, during the appeal. On March 19, 2025, the Third Circuit reversed the Board's decision and remanded to the LTC. *Nw. Louisiana Cancer Ctr., LLC v. Louisiana Tax Comm'n*, 2024-512 (La. App. 3 Cir. 3/19/25), 411 So. 3d 812, 819, *reh'g denied* (June 11, 2025). However, the Assessor applied for Writ of *Certiorari* with the Louisiana Supreme Court. The Supreme Court granted writs and on November 5, 2025, reversed the Third Circuit, reinstating the Board's dismissal of Docket No. L01810. *Nw. Louisiana Cancer Ctr., LLC v. Louisiana Tax Comm'n*, 2025-00833 (La. 11/5/25), 421 So. 3d 964. After a status conference, this matter was reset to March 16, 2026.

⁶ NLCC did not raise this alternative argument in its petition, but rather raised its alternative argument in its summary judgment pleadings.

“[S]ummary judgment may be granted when reasonable minds must inevitably conclude that the mover is entitled to judgment on the facts before the court.” *Smith v. Our Lady of the Lake Hosp., Inc.*, 93-2512 (La. 7/5/94), 639 So. 2d 730, 752. The moving party bears the burden of proving the lack of a material issue of fact, and the Board must view all inferences drawn from the underlying facts in a light most favorable to the adverse party. See *Schroeder v. Bd. of Supervisors of La. State Univ.*, 591 So. 2d 342 (La. 1991). However, “[o]nce the motion for summary judgment has been properly supported by the moving party, the failure of the non-moving party to produce evidence of a material factual dispute mandates the granting of the motion.” *Babin v. Winn-Dixie La., Inc.*, 00-78 (La. 6/30/00), 764 So. 2d 37, 40.

Analysis

La. Const. Art. VII § 21(A)

La. Const. Art. VII, § 21(A) (sometimes referred to as “21(A)”) exempts from ad valorem or property taxes “public lands and other public property used for public purposes”. The exemption includes any property that serves a public purpose, where the property and its revenues are dedicated to that public purpose. *Adm’rs of Tulane Educ. Fund v. Bd. of Assessors*, 38 La. Ann. 292 (1886). The language of the exemption is broad. *Slay v. Louisiana Energy & Power Auth.*, 473 So. 2d 51, 53 (La. 1985). The Louisiana Supreme Court has noted that the framers of the 1973 Constitutional Convention regard the exemption as simply stated and self-explanatory. *Id.*

To qualify for the exemption, the property need not have any public ownership. If privately-owned property and the revenue from the property are dedicated to a legislatively recognized public purpose and public use, the property is exempt. *Id.*; *Warren County, Mississippi v. Hester*, 219 La. 763, 54 So. 2d 12, 14 (1951). Property “consecrated to public use is not taxable irrespective of the nature of the ownership.” *Holley v. Plum Creek Timber Co.*, 38,716, p. 8 (La. App. 2 Cir. 6/23/04), 877 So. 2d 284, 290 (citing *Warren County, Mississippi*, 219 La. 763, 54 So. 2d at 14).

Although over a century old, the case of *Administrators of Tulane Education Fund v. Board of Assessors*, 38 La. Ann. 292 (1886) (“*Tulane*”) remains good law and continues to be cited by our courts in deciding cases under La. Const. Art. VII, § 21(A).

The taxpayer in *Tulane* was a private entity created to operate what was in 1884 the newly renamed and re-dedicated Tulane University. Many years prior to the controversy, the state had created “The University of Louisiana” in New Orleans. The state had continuously funded the university since its inception. However, in or around 1884, the administrators contracted with the legislature to obtain control of the university and irrevocably devoted all of its property and revenues therefrom to the support and maintenance of the university. In 1885, the New Orleans assessor sought to tax the administrators’ property. Litigation ensued. The Louisiana Supreme Court found that because of the irrevocable dedication of the use and revenue of the property to the public’s benefit, the property was still exempt public property.

Following *Tulane*, a line of jurisprudence developed in the Fourth Circuit outlining a two-pronged test for determining whether the 21(A) exemption applies to a particular property. *Filmore Parc Apartments II v. White*, 2024-0475, p. 17 (La. App. 4 Cir. 2/14/25), 418 So. 3d 42, 54 (citing *Bd. of Comm’rs of Port of New Orleans v. City of New Orleans*, 2015-0768 (La. App. 4 Cir. 3/16/16), 186 So. 3d 1282; *Abundance Square Assocs., L.P. v. Williams*, 2010-0324 (La. App. 4 Cir. 3/23/11), 62 So. 3d 261). The first prong of the test determines whether the property is owned by a private or public entity. *Filmore*, 418 So. 3d at 54. If the property is owned by a private entity, then the second prong of the test asks whether there has been a dedication of the property’s use to a public purpose. *Id.* Further, establishing how revenue from the property is utilized is a helpful factor in considering whether the property is dedicated to a public use. *St. Bernard I, LLC v. Williams*, 2012-0372, p. 7 (La. App. 4 Cir. 3/13/13), 112 So. 3d 922, 927, *writ denied*, 2013-1008 (La. 6/14/13), 118 So. 3d 1090.

The Louisiana Supreme Court has made it clear that it is the legislature that defines the “public use” underlying the § 21(A) exemption:

And these illustrate another proposition, viz; that private property which is subject to taxation becomes exempt by the change that is made in its use. The character of taxability is not ineffaceably stamped on property, and it may be removed by the act of its owner. Whenever he dedicates it to public use it passes under the dominion of the exemption that is accorded to public property. And that is what we meant when in the earlier part of this opinion we said that the question was whether

the consecration of the plaintiffs' revenues to a public use did not *proprio vigore* operate an exemption. The legislature cannot exempt from taxation property that is constitutionally liable to it, but an owner of property may translate it into the domain of constitutional exemption by dedicating it to public use.⁷

“[P]rimarily, the Legislature determines what is a public use, and when it has declared what may be so regarded, courts will not interfere except in clear cases of usurpation or abuse of authority.” *Tulane*, 38 La. Ann. at 297. In *Board of Commissioners of Port of New Orleans v. City of New Orleans*, 2015-0768 (La. App. 4 Cir. 3/16/16), 186 So. 3d 1282 (“*Port of New Orleans*”), the Port of New Orleans, a political subdivision of the state, did not lose the benefit of Section 21(A) when it rented port facilities to private entities whose activities were “in harmony” with the Port’s legislative mission. *Id.* at 1288. The Port’s legislatively declared purpose was to “regulate the commerce and traffic of the Port and Harbor of New Orleans, in such a manner as may, in its judgment, be best for the maintenance and development thereof.” See La. R.S. 34:21(A)(1); *Port of New Orleans*, 186 So. 3d at 1286. The Port’s tenants provided facilities and services—such as warehousing, freight forwarding, and intermodal transportation—that kept it competitive with rival ports across this country. *Id.* at 1287. Thus, the Court held that the activities of the individual tenants provided services that contributed to the regulation, maintenance, development, and promotion of commerce and traffic at the Port and Harbor of New Orleans. *Id.* at 1288. Implicit in the ruling is the corollary that if the Port had leased the property at issue for a use not in “harmony” with the Port’s legislative mission, even though owned by a public entity, such property would be subject to ad valorem tax under the “public use” requirement of Section 21(A).

Similarly, property was held to be used in conformity with the legislatively declared purpose of a public entity in *University of New Orleans Research & Technology Foundation, Inc. v. White*, 2024-0472 (La. App. 4 Cir. 3/6/25), 414 So. 3d 727. In that case, the property owner was UNO Research and Technology Foundation, Inc. (“UNO RTF”), a non-profit corporation. UNO RTF was completely under the

⁷ *Tulane*, 38 La. Ann. at 297-298.

control of UNO, which was a political subdivision of the state. The legislature provided for the public purpose and public use of research and technology parks in former La. R.S. 17:3389(a), which stated:

The legislature finds that development of research and development parks in association with public or regionally accredited independent universities in the state, with quality facilities for research and development, manufacturing of goods resulting from and related to research and development facilities, and related support services and concerns, will benefit the citizens of Louisiana through improved scientific information and technology and through improved economic conditions and creation of jobs.

This public purpose was recited by the local ordinance establishing the research and technology park and further enshrined in UNO RTF's purpose in its articles of incorporation. Furthermore, testimony at trial confirmed that UNO, through the non-profit, vetted and monitored the tenants to ensure that their activities furthered the public purpose identified by the legislature. The Court found the property exempt under Section 21(A).

Is the Cancer Center Exempt Under La. Const. Art. VII § 21(A)

With the above background, the Board turns to the question presented in this case: Whether the Cancer Center is exempt from ad valorem taxation under La. Const. Art. VII, § 21(A)? At the hearing of this matter, counsel for the Assessor agreed that if the Cancer Center was not owned by NLCC but instead titled and owned by NRMC directly, La. Const. Art. VII, § 21(A) clearly would have exempted the Cancer Center from ad valorem taxation. The Assessor and Sheriff both argue that the interjection of NLCC (the wholly owned subsidiary of NRMC) as the owner of the Cancer Center subjects the Cancer Center to ad valorem taxes. Under these particular facts, the question is *res nova* in Louisiana. For the reasons that follow, the Board finds that the Cancer Center is exempt from ad valorem taxation under La. Const. Art. VII, § 21(A).

Public Purpose

Under La. Const. Art. VII § 21(A) and the jurisprudence thereunder, for "other public property" to be exempt from ad valorem tax, it must be used for a public purpose. Legislation establishing the public purpose for the ownership of public

property conclusively establishes a public purpose for purposes of the exemption. As the courts found in *Port of New Orleans* and *UNO RTF, supra*, there is a legislatively declared purpose for creating NRMC as a hospital service district (“HSD”). La. R.S. 46:1052 provides the objectives for creating HSD’s, stating:

The objects and purposes of the hospital service districts and the governing bodies created pursuant to the provisions of this Chapter shall be:

- (1) To own and operate hospitals for the care of persons suffering from illnesses or disabilities which require that patients receive hospital care.
- (2) To administer other activities related to rendering care to the sick and injured or in the promotion of health which may be justified by the facilities, personnel, funds and other requirements available.
- (3) To promote and conduct scientific research and training related to the care of the sick and injured insofar as such research and training can be conducted in connection with the hospital.
- (4) To participate so far as circumstances may warrant in any activity designed and conducted to promote the general health of the community.
- (5) To cooperate with other public and private institutions and agencies engaged in providing hospital and other health services to residents of the district.

La R.S. 46:1052 is a component of a statutory scheme governing HSD’s found in Chapter 10 of Title 46 of the Revised statutes: La. R.S. 46:1051 through 1100.⁸ The State of Louisiana created HSD’s in 1950 to ensure citizens have access to health care throughout the state. La. R.S. 46:1051 *et seq.*; *Hosp. Serv. Dist. No. 1 of Par. of St. James v. Hosp. Serv. Dist. No. 3 of Par. of Lafourche*, 25-202, p. 1 (La. App. 5 Cir. 11/26/25), 427 So. 3d 297, 301 (“*Hosp. Serv. Dist. No. 1 of Par. of St. James*”), *writ denied*, 2025-01634 (La. 3/25/26), and *writ denied*, 2025-01636 (La. 3/25/26). Generally, an HSD is legislatively authorized “to do and perform any and all acts in its corporate capacity and its corporate name necessary and proper for the carrying out of the objects and purposes for which the hospital service district was created.”

⁸ La. R.S. 46:1051 through 1077 deal with HSD’s generally and in various provisions also provide for HSD’s in specific parishes. *E.g.* La. R.S. 46:1053(B)(4) (providing a unique commission composition for Iberia Parish HSD No. 1). La. R.S. 46:1091 through 1100 deal with HSD’s in certain parishes (East Baton Rouge, West Feliciana, Orleans, and St. Tammany). Special provisions applicable to the Natchitoches Parish HSD in La. R.S. 46:1053(U) deal with the composition of the commission and are not relevant to the present dispute.

La. R.S. 46:1060. An HSD is specifically authorized to “enter into contracts for the construction of hospitals and medical facilities necessary for the administration of services for their district.” La. R.S. 46:1062.

La. R.S. 46:1055(A)(9), (B), and (C) allow an HSD to lease property to an entity that operates a hospital. La. R.S. 46:1055(A)(9) specifically states that the HSD can “enter into lease agreements with recognized and duly constituted nonprofit associations which are primarily engaged in the operation of hospitals.” However, these provisions deal with the reverse of the situation presented. Here, the HSD is operating the hospital and its wholly owned subsidiary is leasing property to the HSD. Nothing in La. R.S. 46:1055 specifically authorizes the relationship in this case, but the powers enumerated in that section are “[i]n addition to the duties defined elsewhere in this Chapter,” i.e. Chapter 10 of title 46. La. R.S. 46:1055(A).

Over time, the legislature has granted additional powers to HSD’s to “enhance the ability of a hospital service district to compete effectively and equally in the market for health care services.” La. R.S. 46:1071; *Hosp. Serv. Dist. No. 1 of Par. of St. James*, 427 So. 3d at 301. The statement of legislative findings and purpose for this additional grant of authority in La. R.S. 46:1071 provides:

The legislature hereby finds that the market for hospital and health care services is becoming increasingly competitive. The legislature finds that hospital and other health care providers are contracting to engage in economic joint ventures or form partnerships to offer integrated health care services to the public. The legislature finds that this increasing competition is forcing hospitals and other health care providers to develop market strategies and strategic plans to effectively compete. The legislature further finds that hospital service districts are presently at a competitive disadvantage. The legislature hereby declares that the purpose of R.S. 46:1071 through 1076 is to enhance the ability of a hospital service district to compete effectively and equally in the market for health care services. Towards this end, the provisions of R.S. 46:1071 through 1076 shall be construed liberally.

These additional powers included an express empowerment of HSD’s to take on debt for the construction of medical office buildings and facilities in La. R.S. 46:1074(A), which provides:

In addition to the powers and duties otherwise provided and notwithstanding the provisions of R.S. 41:1211 et seq. or any other law to the contrary, a hospital service district commission and any health facility it owns or operates may acquire, construct, and maintain medical office buildings and facilities and may negotiate the lease of

such medical office buildings and facilities or portions thereof provided the lease rental shall be sufficient to recoup over a period of twenty years the capital investment of such hospital service district commission or that of any health facility it owns or operates. Such contract of lease may provide for uniform, staggered, or indexed rental payments, but no balloon rental payments shall be allowed.

The legislature declared that when an HSD enters into a contract to “offer, provide, promote, establish, or sell a hospital health service[, it] shall be presumed to be engaged in a cooperative endeavor as provided by Article VII, Section 14(C) of the Constitution of Louisiana.” La. R.S. 46:1077. The full text of La. R.S. 46:1077 states:

Contracts or joint ventures for hospital health services

In addition to the powers and duties otherwise provided and notwithstanding any other law to the contrary, the board of commissioners of a hospital service district and any corporation or health facility owned or operated by such district or commission may contract with or engage in a joint venture with any person, corporation, partnership, or group of persons to offer, provide, promote, establish, or sell any hospital health service. A hospital service district commission contracting with or engaging in a joint venture with any person, corporation, partnership, or group of persons to offer, provide, promote, establish, or sell a hospital health service shall be presumed to be engaged in a cooperative endeavor as provided by Article VII, Section 14(C) of the Constitution of Louisiana. The commission shall be further presumed to have entered into such contract for the purpose of obtaining a tangible benefit and for a public purpose, and such contract shall not be presumed to be a donation in contravention of Article VII, Section 14(A) of the Constitution of Louisiana.

There is no dispute in this case that NRMC has always operated in accordance with its public purpose as set forth in La. R.S. 46:1052 and the Ordinance. Indeed, counsel confirmed during the hearing that the Cancer Center would undoubtedly be exempt from tax if it were owned directly by NRMC. The only issue is whether the separate ownership of the Cancer Center by NLCC results in the Cancer Center not being “other public property being used for public purposes.”

Is the Cancer Center Public Property?

While the jurisprudence establishes that a property owned by a private entity (“private property”) can be public property in limited circumstances, if it can be established that property is “public property” (i.e., owned by a political subdivision), it therefore follows that the property falls within the definition of “public property” as set forth in Article VII. La. Const. art. VI §44(2) defines a political subdivision as a “a parish, municipality, **and any other unit of local government**, including a

school board and a special district, authorized by law to perform governmental functions” [emphasis added]. In *Slay v. Louisiana Energy & Power Auth.*, No. 85-CA-0594, 473 So. 2d 51 (La. 1985), reversing the lower court’s ruling, the La. Supreme Court held:

A political subdivision is a subdivision of the state to which has been delegated certain functions of local government. *Commander v. Board of Commissioners of Buras Levee District*, 202 La. 325, 11 So. 2d 605 (1942). No basis exists for determining that the “authority” must be specifically listed in the definition to be included. The entities therein listed are illustrative, not exclusive. And, even more pertinently, the decision ignores the phrase “any other unit of local government.” These “authorities,” created by statute, do in fact constitute other “unit[s] of local government.”

In *Johnson v. French Market Corp.* 98-2539 (La. App. 4 Cir. 5/12/99), 757 So. 2d 15, the court found that the French Market Corporation, a corporation organized for the purposes of operating city owned French Market properties, and whose only share of stock was issued to the mayor of the City of New Orleans in his capacity as mayor, to be a political subdivision for purposes of determining whether the plaintiff in that case was entitled to a jury trial under La. R.S. 13:5102. In its ruling, the Court noted the absence of cases dealing with an entity that corresponded closely with the French Market Corporation,

In *Health Education Authority of La. v. APCOA LaSalle Parking Co.*, 2017-1061 (La. App. 4 Cir. 3/22/18), 241 So. 3d 535, APCOA, a private entity, leased a parking garage owned by the Health Education Authority of Louisiana (“HEAL”), a Louisiana corporation created under the authority of former La. R.S. 17:3053 (repealed in 2022) for the stated purpose of promoting medical and educational activities in the state of Louisiana by planning, acquiring, constructing, reconstructing, rehabilitating, improving, and developing facilities in Louisiana where graduate medical education is offered, and by providing for the financing of such projects. See *Johnson v. Purpera*, 2020-01175 (La. 5/13/21), 320 So. 3d 374. The issue before the Court of Appeal was whether HEAL was a political subdivision for purposes of La. Const. art. VI §35(B), which provided for a 30-day period for a party to contest the legality of any ordinance or resolution and of any provision therein

made for the security and payment of issued bonds. In holding HEAL fell within the broad definition of a political subdivision under the Louisiana Constitution, the court cited Hargrave, *Limits on Borrowing and Donations in the Louisiana Constitution of 1975*, 62 La. L. Rev. 137, 177 (2001):

The reference to a political subdivision of the state is essentially a straightforward reference to local governments. As defined in Article VI (Local Government), the narrower term "[l]ocal governmental subdivision" means a parish or a municipality, but "political subdivision" is a broader term including a parish or municipality, but also "any other unit of local government, including a school board and a special district, authorized by law to perform governmental functions." Virtually all special districts established by cities and municipalities are thus covered. The definition can also encompass, surprisingly, some special districts with statewide application. The supreme court allowed the legislature to establish under Article VI, Section 19 the statewide Recovery District with the power to impose a statewide sales tax and use the proceeds to pay off bonds that were sold to finance a state deficit. In *Board of Directors of the Louisiana Recovery District v. All Taxpayers*, [529 So. 2d 384 (La. 1988)] the court stated that such a district "is a valid political subdivision and that it may be granted the power to tax." [Id. at 388.] A power generating authority providing services in many parts of the state was found to be a political subdivision and its property was not subject to ad valorem taxation. [Slay v. La. Energy & Power Authority, 473 So. 2d 51 (La. 1985).]

Finding that HEAL fell within the catch-all category of La. Const. art. VI §44(2) that includes "any other unit of local government", the Court determined that HEAL was a political subdivision.

The Louisiana Fifth Circuit Court of Appeal considered a similar business arrangement in *Hosp. Serv. Dist. No. 1 of Par. of St. James v. Hosp. Serv. Dist. No. 3 of Par. of Lafourche*, 25-202 (La. App. 5 Cir. 11/26/25), 427 So. 3d 297. The HSD in that case created a non-profit corporation, the Thibodaux Regional Health System, Inc. ("TRHS") as a wholly owned subsidiary entity. The HSD then, allegedly, "transferred the entirety of its assets and operating funds to TRHS, leased the entirety of its medical facilities and equipment to TRHS and transferred all its employees to TRHS." The alleged purpose of this arrangement was to circumvent the holding of *Hospital Serv. Dist. No. 2 of Par. of Lafourche v. Hosp. Serv. Dist. No. 1 of Par. of Terrebonne*, 97-1792 (La. App. 1 Cir. 6/29/98), 716 So. 2d 168, 169, *writ denied sub nom. Hosp. Serv. Dist. No. 2 of Par. of Lafourche v. Hosp. Serv. Dist. No. 1 of Par.*

of *Jefferson*, 98-2039 (La. 11/13/98), 730 So. 2d 450 (“*Lafourche v. Terrebonne (1998)*”). In *Lafourche v. Terrebonne (1998)*, the First Circuit held that an HSD could not operate a hospital outside the geographical bounds of its territory and within the territory of another HSD without the consent of the that other HSD. The plaintiff in *Hosp. Serv. Dist. No. 1 of Par. of St. James*, was the St. James HSD, suing the Lafourche HSD under the theory that the Lafourche HSD, through its wholly owned subsidiary, was illegally operating TRHS within St. James Parish.

Part of the plaintiff’s argument was the assertion that TRHS was a “creature” of the Lafourche HSD. *Id.* at 303. TRHS disagreed, arguing that it was a separate and independent entity neither owned nor controlled by the Lafourche HSD. While the Court did not rule on the merits of the case, it did find that this allegation was sufficient to state a cause of action and further required an element of proof as to whether the two entities were a single business enterprise or otherwise alter egos of each other. In particular, the Court noted the allegations that TRHS had not made any rent payments to the HSD, nor made any payments on a promissory note that had been exchanged for more than \$130 million in capital. *Id.* at 303-304.

The competent summary judgment evidence in this case establishes that NLCC is entirely under the control of NRMC. The sole member of NLCC is NRMC and the manager of NLCC is NRMC’s CEO. NLCC’s only asset is the Cancer Center, which NRMC operates. All of NLCC’s revenue is used to service the debt. There is no evidence that any part of the revenues of NLCC inure to the benefit of any person or entity other than NRMC. There is no doubt that NRMC operates the Cancer Center exclusively in the furtherance of its legislatively established public purpose, and that the assets comprising the Cancer Center are a necessary and integral part of that operation. Furthermore, the great weight of the jurisprudence interpreting the phrase “other unit of local government” has defined entities wholly owned or controlled by parishes or other governmental agencies as political subdivisions in a variety of different contexts. The Board finds that facts and the law support the finding that NLCC is an “other unit of local government” and therefore a political

subdivision for purposes of La. Const. art. VII §21(A)⁹, and therefore the Cancer Center is “other public property” within the meaning of that constitutional provision.¹⁰

Does NLCC Use the Cancer Center for Public Purposes?

In addition to the requirement that the property be vested in or owned by the public, the property must be used for public purposes to enjoy the La. Const. art. VII §21(A) exemption. See *Board of Commissioners of the Port of New Orleans v. City of New Orleans*, 2013-0881 (La. App. 4 Cir. 2/26/14), 135 So. 3d 821, citing *Slay v. Louisiana Energy and Power*, supra. The Sheriff and the Assessor assert that NLCC should be viewed as a stand-alone entity, and that the leasing of a commercial building and the land to the NRMC does not serve a public purpose, and therefore the exemption fails. The Assessor argues that the use of revenue to pay off acquisition costs is exactly the kind of non-public use identified in *Warren County, Miss. v. Hester*, 219 La. 763, 54 So. 2d 12 (La. 1951). The Board respectfully disagrees.

In *Hotel Dieu & Seton Professional Bldg, Inc. v. Williams*, No. 81-C-2628, 410 So. 2d 1111 (La. 1982), the Louisiana Supreme Court considered the application of La. Const. art. VII § 21(B) in determining whether certain property was exempt from ad valorem taxes in the context of a similar business structure. Specifically, Seton was a non-profit corporation organized by Hotel Dieu, a charitable organization. Seton constructed an office building and parking garage on land owned by Hotel Dieu and ultimately operated these two facilities. The profits of Seton were distributed to Hotel Dieu. Seton’s membership was controlled by Hotel Dieu. In holding the garage and the office building exempt from ad valorem taxes, the Court noted that these

⁹ To hold otherwise would imply that NLCC, as an entity separate from NRMC, is not subject to a myriad of laws designed to promote transparency in local government, such as the public bid law and the financial reporting law, a result clearly not intended by the legislature.

¹⁰ In Volume VII of the transcript of the 1973 Constitutional Convention, Day 76, November 1, 1973, Page 2050, the delegates distinguished the raw land from the improvements thereon, commenting that if a political subdivision owned land and improvements NOT used for a public purpose, only the improvements would be subject to ad valorem tax, with the land being exempt regarding of public versus private use. While the holding of the Board is that the Cancer Center comprised of land, improvements and movable property is used for public purposes, so long as the NLCC is deemed to be a political subdivision, at a minimum the land would be exempt from the imposition of ad valorem taxes if it were to be determined that the Cancer Center is not used for public purposes.

properties were owned, operated, leased and used for purposes related to the exempt purposes of Hotel Dieu Hospital, and thus met the criteria of the La. Const. art. VII § 21(B) exemption from ad valorem taxes.

Although *Hotel Dieu* considered the exemption under La. Const. art. VII § 21(B), the Board finds that the analysis in *Hotel Dieu* is applicable to NLCC. Clearly, when considered as a whole, the combined operations of NLCC and NRMC serve the legislatively stated public purpose set forth in La. R.S. 46:1052. It is undisputed that NRMC, through its 100% ownership of NLCC, is the beneficial owner of the Cancer Center. And while NLCC may be considered a separate entity for some purposes such as liability protection and title ownership, it is treated as a single entity for both federal and state income tax purposes. The jurisprudence finds similarly created organizations to be political subdivisions in different contexts. In addition, NRMC and NLCC file one consolidated financial statement for purposes of its financial reporting obligations with the state. The Board finds that the under a plain reading of our Constitution and what constitutes “for public purposes,” as the Court did in *Hotel Dieu*, the determination of whether the Cancer Center is used for public purposes should be considered in the context of the use of the Cancer Center by both NRMC and its wholly owned subsidiary NLCC. The Board finds that NLCC used the Cancer Center for public purposes in compliance with Section 21(A).

Attorney General Opinion No. 25-0107

On January 6, 2026, the Assessor filed a Supplemental Memorandum in Support of Motion for Summary Judgment and attached Attorney General Opinion 25-0107 (“Opinion No. 25-0107”). The Assessor maintains that Opinion No. 25-0107 supports her position by concluding that a political subdivision is prohibited from purchasing a membership interest in a for-profit LLC under La. Const. art. VII, §14(C). Petitioners maintain that Opinion No. 25-0107 does not apply to HSD’s, NLCC is not a for-profit entity contemplated by La. Const. art. VII, §14(C), and that HSD’s are specifically authorized to “contract with or engage in a joint venture with any person, corporation, partnership, or group of persons to offer, provide, promote establish, or sell any hospital health service.” La. R.S. 46:1077.

The Board agrees with Petitioners. La. Const. art. VII, §14(C) states:

Except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private. Except as otherwise provided in this Section, neither the state nor a political subdivision shall subscribe to or purchase the stock of a corporation or association or for any **private enterprise**. [emphasis added].

NLCC is not a private enterprise. As discussed throughout this opinion, NLCC is entirely controlled by, and subservient to, the public purpose of NRMC. NLCC is itself a political subdivision for purposes 21(A). Furthermore, HSD's are specifically granted the authority to enter into joint ventures in pursuit of their public purpose.

La. R.S. 46:1077 further provides that:

A hospital service district commission contracting with or engaging in a joint venture with any person, corporation, partnership, or group of persons to offer, provide, promote, establish, or sell a hospital health service shall be presumed to be engaged in a cooperative endeavor as provided by Article VII, Section 14(C) of the Constitution of Louisiana. The commission shall be further presumed to have entered into such contract for the purpose of obtaining a tangible benefit and for a public purpose, and such contract **shall not be presumed to be a donation in contravention of Article VII, Section 14(A) of the Constitution of Louisiana**. [emphasis added].

Accordingly, the Board finds no persuasive authority in Opinion No. 25-0107 supporting the position taken by the Assessor and the Sheriff.

Is Petitioners' 21(A) Argument Properly Before the Board?

The Assessor maintains that Petitioners' argument that the Cancer Center is dedicated to a purpose is not properly before the Board. The Assessor points to the allegations in the Petition, specifically Paragraph 8, which states:

Since the Leased Assets are owned and used by a political subdivision of Louisiana to carry out a public purpose, the Leased Assets are exempt from tax under La. Const. art VII §21(A). Accordingly, the taxes paid under protest must be refunded.

According to the Assessor, this allegation requires Petitioners to prove that NLCC itself is a public body and political subdivision, rather than showing that the property at issue is used for and dedicated to a public purpose.

Petitioners point to the jurisprudence discussed above, following *Tulane*, in which Louisiana Courts have repeatedly affirmed that "property, dedicated to a public use, the revenues of which serve a public purpose, is public property although

the title be not in the public.” *Id.* at 297; *Filmore Parc Apartments II v. White*, 2024-0475, p. 17 (La. App. 4 Cir. 2/14/25), 418 So. 3d 42, 54 (citing *Bd. of Comm’rs of Port of New Orleans v. City of New Orleans*, 2015-0768 (La. App. 4 Cir. 3/16/16), 186 So. 3d 1282; *Abundance Square Assocs., L.P. v. Williams*, 2010-0324 (La. App. 4 Cir. 3/23/11), 62 So. 3d 261). Interpreting Petitioners’ claim under 21(A) to encompass privately owned property dedicated to a public purpose does not require a novel reading of our constitution. Rather, interpreting Paragraph 8 of the Petition in the manner urged by the Assessor requires a hyper-technical and narrow reading of the pleadings that does not further substantial justice.

Regardless, even if the Board were to accept the Assessor’s reading of the Petition, the Board would still disagree with her conclusion. For the reasons explained throughout this opinion, the Board finds that NLCC is itself a public entity for purposes of 21(A). See *Johnson v. French Mkt. Corp.*, supra. (holding the French Market Corporation to be a political subdivision when its only share of stock was issued to the mayor of New Orleans in their public capacity).

Furthermore, Louisiana’s civil procedure is based on fact pleading. *Balthazar v. Hensley R. Lee Contracting, Inc.*, 2016-0920, p. 6 (La. App. 4 Cir. 3/15/17), 214 So. 3d 1032, 1039, *writ denied*, 2017-0777 (La. 9/22/17), 228 So. 3d 741 (citing *Cacamo v. Liberty Mut. Fire Ins. Co.*, 99–3479, p. 6 (La. 6/30/00), 764 So. 2d 41, 45); cf. La. C.C.P. arts. 854 and 891. Petitioners expressly allege that NRMC and NLCC use the Cancer Center for their public purpose of providing “medical oncology and radiation oncology, chemotherapy services and radiation therapy in NRMC’s service area.” Under Louisiana law, the Board must construe the Petition “reasonably so as to afford litigants their day in court, to arrive at the truth, and to do substantial justice.” *Teachers’ Ret. Sys. of Louisiana v. Louisiana State Employees’ Ret. Sys.*, 456 So. 2d 594, 596 (La. 1984). So construed, the Petition properly raises the issue of the public use and dedication of the Cancer Center for purposes of 21(A).

Exemptions from Taxation are Strictly Construed

The Assessor relies on the stringent burden that plaintiffs must overcome to claim the benefit of a tax exemption. As observed by the Assessor and Petitioners,

21(A) is an exemption from taxation. The Louisiana Supreme Court has stated that “an exemption, being an exceptional privilege, must be expressly and clearly conferred in plain terms.” *Sherwood Forest Country Club v Litchfield*, 2008-0194 (La. 12/19/08), 998 So. 2d 56 (La. 2008). “Exemption provisions are strictly construed against the taxpayer claiming the benefit of an exemption and must be unequivocally and affirmatively established by the taxpayer.” *Id.*

The Board agrees with this canon of construction applicable to tax exemption statutes, which is clearly established in the jurisprudence. However, “strict construction does not require a biased construction in favor of one party or the other.” *Succession of Garnett v. State Dep’t of Revenue & Taxation*, 519 So. 2d 373, 378 (La. Ct. App.1988), *writ denied*, 521 So. 2d 1156 (La. 1988). Furthermore, the fact that a question presents a “res nova” issue does not automatically mean that the governing statute, or in this case constitutional provision, is ambiguous. *See Enterprise Leasing Co. of New Orleans v. Curtis*, 2007-0354, p. 7 (La. App. 1 Cir. 11/2/07), 977 So. 2d 975, 979, *writ denied*, 2007-2320 (La. 2/1/08), 976 So. 2d 719; *Mitchell v. Roy*, 2010-563, p. 15 (La. App. 3 Cir. 11/3/10), 51 So. 3d 153, 165, *writ denied*, 2010-2695 (La. 1/28/11), 56 So. 3d 957. Moreover, the Board finds that Petitioners have satisfied the requirements of 21(A) even when the provision is strictly construed against them.

Other Relief Prayed For

In their Petition and in the Cross Motion for Summary Judgment, Petitioners pray for “applicable interest, costs, and prevailing party fees and all other relief allowed.” A taxpayer who prevails at a legality challenge is entitled to interest “at the actual rate earned on the money paid under protest in the escrow account during the period from the date that such funds were received by the collecting officer or officers to the date of the refund.” La. R.S. 47:2134(C)(4). However, there are no provisions in La. R.S. 47:2134 that award “costs” or “prevailing party fees” to a successful taxpayer. There are cases cited in the notes of decisions for that statute holding that the collector was not entitled to attorney’s fees if a taxpayer was unsuccessful. *E.g. Mississippi River Transmission Corp. v. Simonton*, App. 2 Cir. 1983, 442 So. 2d 764,

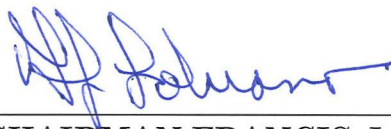
writ denied 444 So. 2d 1240, *appeal dismissed*, *cert. denied* 469 U.S. 803. Accordingly, the Board finds that Petitioners are not entitled to costs or prevailing party fees.

Conclusion

The legislature expressly established HSD's, such as NRMC, and by extension NLCC, to further the public purpose of providing medical services and treatment within their geographical boundaries. Petitioners have used the Property at issue, *i.e.* the Cancer Center, exclusively in the furtherance of that purpose. Although NLCC is not organized as a non-profit entity, it is nevertheless completely under the control of NRMC and has indisputably acted in subservience to NRMC's public purpose. The Assessor's reliance on Opinion No. 25-0107 is misplaced because that opinion does not apply to HSD's, and moreover NLCC is not a private enterprise contemplated by the underlying constitutional prohibition. The Assessor's argument that Petitioners failed to properly raise the argument that the Cancer Center is dedicated to a public purpose is based on a hyper-technical reading of the Petition that ignores decades of jurisprudence interpreting 21(A). Finally, the Petitioners have shown that the Cancer Center is dedicated to, and used exclusively for, a public interest beyond any plausible doubt, and as such have satisfied the requirements of 21(A), even when that provision is strictly construed against them. For these reasons, the Board finds that Cancer Center is not subject to taxation. Accordingly, the Board grants the Petitioners' summary judgment and denies the Assessor's and the Sheriff's summary judgment.

Signed at Belle Chasse, Louisiana, this 14TH day of May, 2026.

FOR THE BOARD:



**CHAIRMAN FRANCIS J. "JAY" LOBRANO
LOCAL TAX JUDGE
LOUISIANA BOARD OF TAX APPEALS**