

SENATE BILL NO. 253

BY SENATORS JACKSON AND MURRAY

1 AN ACT

2 To amend and reenact R.S. 9:2347(A)(1), (H), and (M), and R.S. 39:1403(A), relative to the
3 issuance of bonds by public trusts; to provide for the sale of bonds, notes and other
4 evidences of indebtedness by a public trust; to provide that property owned by
5 certain public trusts authorized to issue bonds to finance projects, is public and used
6 for a public purpose; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 9:2347(A)(1), (H), and (M) are hereby amended and reenacted to
9 read as follows:

10 §2347. Bonds of public trust

11 A. To provide funds for and to fulfill and achieve its authorized public
12 functions or purposes, a public trust may incur debt and issue bonds, notes or other
13 evidences of indebtedness, hereinafter referred to collectively as "bonds" subject to
14 the following:

15 (1) If the beneficiary of the public trust is a parish, municipality, or a political
16 or governmental subdivision thereof, and such bonds or other debt obligations are
17 issued for the purpose of providing, constructing, expanding, or altering public
18 facilities which are to be operated, maintained, or administered by any such parish,
19 municipality, or political or governmental subdivision thereof, such bonds shall be
20 approved by a vote of a majority of the qualified electors of the beneficiary who vote
21 in a special election held for that purpose in the manner provided by ~~Subtitle H,~~
22 ~~Chapter 4, Part II of Title 39~~ **Chapter 6-A of Title 18 (R.S. 18:1281 et seq.)** of the
23 Louisiana Revised Statutes of 1950. Furthermore, in all other cases, if the beneficiary
24 of the trust is a parish, municipality, or a political or governmental subdivision
25 thereof, all bonds and other debt obligations shall be issued only after the trust has
26 adopted an appropriate resolution giving notice of its intention to issue such bonds
27 or other debt obligations, which resolution shall include a general description of the

1 bonds or other debt obligations to be issued and the security therefor, and notice of
 2 this intention shall be published once a week for four weeks in a newspaper in the
 3 locality of the beneficiary or in the parish where it is located, the first publication to
 4 appear at least thirty days before the public meeting of the trust at which the trust
 5 will meet in open and public session to hear any objections to the proposed issuance
 6 of such bonds or other debt obligations. The notice of intent so published shall state
 7 the date, time, and place of the public hearing and shall state, and the law is hereby
 8 declared to be, that if at such hearing a petition duly signed by electors of the
 9 beneficiary in a number not less than five per cent of the electors of the beneficiary
 10 voting at the last special or general election object to the issuance of the proposed
 11 bonds or other debt obligations, then such bonds or other debt obligations shall not
 12 be issued until approved by a vote of a majority of the qualified electors of the
 13 beneficiary who vote in a special election held for the purpose in the manner
 14 provided by ~~Subtitle H, Chapter 4, Part II of Title 39~~ **Chapter 6-A of Title 18 (R.S.**
 15 **18:1281 et seq.**) of the Louisiana Revised Statutes of 1950. Any such petition shall
 16 be accompanied by a certificate of the parish registrar of voters certifying that the
 17 signers of the petition are qualified electors of the beneficiary and the number of
 18 signers amounts to not less than five per cent of the electors in said beneficiary in
 19 number, voting at the last special or general election. ~~Prior to the publication of the~~
 20 ~~notice of intention required hereinabove, the contents of said notice of intention shall~~
 21 ~~be approved by the State Bond Commission.~~ All bonds and other debt obligations
 22 issued hereunder for the purpose of providing, developing, securing and improving
 23 the water storage, treatment, supply and distribution services and facilities and
 24 sanitary and storm sewer collection, disposal, treatment and drainage services and
 25 facilities, shall be issued in accordance with the provisions of Subpart B or C, Part
 26 I of Chapter 10, Title 33 of the Louisiana Revised Statutes of 1950, and ~~or~~ any and
 27 all other laws of the state pertaining to revenue bonds for public utilities.

28 * * *

29 H. All bond issues of a public trust shall be submitted to and approved by the
 30 State Bond Commission prior to the issuance and delivery of said bonds. All bonds

1 of a public trust shall be sold by ~~the State Bond Commission~~ **such public trust**
2 **except when the state is the beneficiary of the financing.** Provided, bonds of a
3 public trust issued in connection with any projects or facilities of the trust for the
4 provisions of industrial, manufacturing, or other economic development facilities and
5 activities shall be sold in accordance with the provisions of R.S. 39:991, et seq.,
6 subject to the requirement that a notice of intent to sell such bonds shall be published
7 at least seven days in advance of the sale date. After approval by the State Bond
8 Commission as required herein and at least seven days prior to the sale of such bonds
9 ~~by the State Bond Commission~~, the public trust shall cause to be published a notice
10 of sale in a newspaper of general circulation in the parish of the beneficiary's situs,
11 or if the state or any state agency be the beneficiary, such publication shall be in the
12 official state journal, and in a financial journal or newspaper containing a section
13 devoted to municipal bond news published in either New Orleans, Louisiana, or New
14 York, New York. This notice of sale shall state if any proposals have been made for
15 the purchase of the bonds and that other proposals will be considered and that the
16 proposal most advantageous to the issuer will be accepted at the time of the sale.
17 After adoption of the resolution or other proceedings authorizing the sale of bonds,
18 ~~said~~ **the** resolution or other proceedings shall be published in a newspaper of general
19 circulation in the parish of the beneficiary's situs, or, if the state or any state agency
20 be the beneficiary, such publication shall be in the official state journal. For a period
21 of thirty days from the date of publication of the notice of sale, any person or persons
22 in interest shall have the right to contest the legality of the notice of sale, resolution
23 or other proceedings authorizing the issuance of the bonds and the legality of the
24 bond issue for any cause, after which time no one shall have any cause or right of
25 action to contest the legality of said resolution or other proceedings or of the bonds
26 authorized thereby for any cause whatsoever. If no suit, action or proceedings are
27 begun contesting the validity of the bonds within the thirty days herein prescribed,
28 the authority to issue the bonds and to provide for the payment thereof, the legality
29 thereof and of all of the provisions of the resolution or other proceedings authorizing
30 the issuance of the bonds shall be conclusively presumed, and no court shall have

1 authority to inquire into such matters. Such bonds shall have all the qualities of
 2 negotiable instruments under the law merchant and the commercial laws of the state
 3 of Louisiana.

4 * * *

5 M. The property of any public trust, having as its beneficiary ~~the a parish,~~
 6 **municipality, or a political or governmental subdivision thereof** of Jefferson,
 7 which is authorized under its trust indenture to engage in or issue bonds to finance
 8 projects for substantially all of the public purposes set forth in R.S. 9:2341(B)(1),
 9 acquired or held for one or more of said purposes, is hereby declared to be public
 10 property used for essential public and governmental purposes. Accordingly, such
 11 public trust, and all of its properties at any time owned by it and the income
 12 therefrom and all bonds issued by it and the income therefrom, shall be exempt from
 13 all taxes of the parish or municipality, the state, or any political subdivision thereof
 14 or any other taxing body, provided, however, that such public trust may require the
 15 lessee of each of the projects of the public trust to pay annually to parish or
 16 municipal taxing authorities or to any other taxing body, through the normal
 17 collecting agency, a sum in lieu of ad valorem taxes to compensate such authorities
 18 for any services rendered by them to such projects, which sum shall not be in excess
 19 of the ad valorem taxes such lessee would have been obligated to pay to such
 20 authorities had it been the owner of such project during the period for which such
 21 payment is made. Such payments to be made in lieu of taxes together with any fees
 22 and charges of such public trust, to the extent in the aggregate they do not exceed the
 23 amount of taxes that would be paid if the lessee were the owner, shall constitute
 24 statutory impositions within the meaning of R.S. 47:2128. No provision of this
 25 Subsection shall become effective until approved by resolution of the ~~Jefferson~~
 26 ~~Parish Council~~ **parish, municipality, or a political or governmental subdivision**
 27 **thereof which is the beneficiary of such public trust.**

28 Section 2. R.S. 39:1403(A) is hereby amended and reenacted to read as follows:

29 §1403. All other state bonds

30 A. All other bonds, of whatever type, of the state of Louisiana and its boards,

1 departments, commissions, authorities, and agencies (except the following which are
 2 excluded from the operation of this Chapter: municipalities, parishes, parish and
 3 municipal school boards and districts, levee boards and districts, housing authorities,
 4 community improvement agencies, redevelopment agencies, **public trusts except**
 5 **when the state is the beneficiary of the financing,** political subdivisions and units
 6 of local government created by or governed by the governing authorities of parishes
 7 or municipalities, and any drainage or special service districts, such as water,
 8 sewerage, garbage and lighting districts created by or pursuant to legislative acts)
 9 shall be sold by the State Bond Commission.

10 * * *

 PRESIDENT OF THE SENATE

 SPEAKER OF THE HOUSE OF REPRESENTATIVES

 GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____