

2020 Regular Session

SENATE BILL NO. 459

BY SENATOR REESE

SPECIAL DISTRICTS. Establishes an Economic Development District for the parish of Vernon. (gov sig)

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AN ACT

To enact Subpart B-49 of Part IV of Chapter 1 of Title 33 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 33:130.870 through 130.878 relative to economic development districts; to create the Vernon Parish Economic Development District in Vernon Parish; to provide for the district boundaries, purpose, and governance; to provide relative to powers and duties of the district; and to provide for related matters.

Notice of intention to introduce this Act has been published.

Be it enacted by the Legislature of Louisiana:

Section 1. Subpart B-49 of Part IV of Chapter 1 of Title 33 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 33:130.870 through 130.878, is hereby enacted to read as follows:

**SUBPART B-49. VERNON PARISH DEVELOPMENT DISTRICT**

**§130.870. Vernon Parish Development District; creation; territorial jurisdiction**

**A. The Vernon Parish Development District, hereinafter referred to as the "district", is hereby constituted and is declared to be a body politic and**

1 political subdivision of the state of Louisiana, as defined in Article VI, Section  
2 44 of the Constitution of Louisiana. Pursuant to Article VI, Sections 19 and 21  
3 of the Constitution of Louisiana, the district, acting through its board of  
4 commissioners, the governing authority of the district, is hereby granted all of  
5 the rights, powers, privileges, and immunities granted to political subdivisions  
6 for economic and industrial development purposes, including but not limited to  
7 the power of taxation, the power to incur debt and issue revenue and general  
8 obligation bonds, certificates of indebtedness, bond and certificate anticipation  
9 notes, and refunding bonds, subject to the limitations hereinafter provided.

10 B. The district created pursuant hereto shall be established for the  
11 primary object and purpose of promoting and encouraging the development of  
12 economic and industrial opportunities, stimulating the economy through  
13 renewed commerce and industry, and for the utilization and development of  
14 natural and human resources of the area by providing job opportunities.

15 C. The boundaries of the district shall be coterminous with the  
16 boundaries of Vernon Parish.

17 §130.871. Board of commissioners; members; officers; employees

18 A. The district shall be governed by a board of commissioners consisting  
19 of nine members selected as follows: (1) Three members shall be appointed by  
20 the Vernon Parish Chamber of Commerce. (2) Three members shall be  
21 appointed by the governing authority of Vernon parish. (3) Three members  
22 shall be appointed by the mayor of Leesville.

23 B. Any vacancy in the membership of the board of commissioners,  
24 occurring either by reason of the expiration of the term for which appointed or  
25 by reason of death, resignation, or otherwise, shall be filled by the governing  
26 authority of Vernon Parish.

27 C. Any member of the board of commissioners may be removed by the  
28 governing authority of Vernon Parish, but only for cause and on charges  
29 preferred against him in writing and after public hearing; provided that any

1 member so removed shall have the right to appeal his removal to a court of  
2 competent jurisdiction within ten days of the decision of the governing authority  
3 ordering his removal.

4 D. The members of the board of commissioners shall serve without per  
5 diem or other compensation. The board of commissioners shall have the power  
6 to organize and reorganize executive, clerical, and other departments and to fix  
7 the duties and powers and compensation of all officers, agents, and employees  
8 of the district. The board of commissioners may reimburse any member for  
9 expenses actually incurred in the performance of his duties hereunder.

10 E. Members of the board, individually, and members of their immediate  
11 family are prohibited from bidding on or entering into any contract,  
12 subcontract, or other transaction that is under the supervision or jurisdiction  
13 of the district.

14 F. Elected officials are prohibited from serving on the board of  
15 commissioners.

16 G. The board of commissioners shall elect from among its own members  
17 a president, a vice president, a secretary, and a treasurer, whose duties shall be  
18 those usual to such offices. At the option of the board of commissioners, the  
19 offices of secretary and treasurer may be held by one person.

20 H. The board of commissioners shall meet in regular session on a  
21 quarterly basis and shall also meet in special session when the president of the  
22 board convenes them or on the written request of four members. No more than  
23 twelve special sessions may be called within any one calendar year. Five  
24 members of the board of commissioners shall constitute a quorum.

25 I. The board of commissioners shall prescribe rules to govern its  
26 meetings, shall maintain suitable offices in the parish of Vernon, and may  
27 contract with and employ attorneys, clerks, engineers, deputy commissioners,  
28 superintendents, and other agents and employees and shall fix their  
29 compensation and terms of employment.

1           **§130.872. Powers of district**

2           **The district, acting by and through its board of commissioners, shall**  
3           **have and exercise all powers of a political subdivision necessary or convenient**  
4           **for the carrying out of its objects and purposes, including but not limited to**  
5           **rights and powers set out in this Subpart:**

6                   **(1) To sue and be sued.**

7                   **(2) To adopt, use, and alter at will a corporate seal.**

8                   **(3) To acquire by gift, grant, expropriation, purchase, or otherwise all**  
9           **property, including rights of way; to hold and use any franchise or property,**  
10          **real, personal, or mixed, tangible or intangible, or any interest therein,**  
11          **necessary or desirable for carrying out the objects and purposes of the district,**  
12          **including but not limited to the establishment, maintenance, and operation of**  
13          **industrial parks, ports, harbors, and terminals.**

14                  **(4) To enter into contracts for the purchase, acquisition, construction,**  
15          **and improvement of works and facilities necessary in connection with the**  
16          **purposes of the district.**

17                  **(5) In its own name and on its own behalf to incur debt and to issue**  
18          **general obligation bonds, revenue bonds, certificates, notes, and other evidences**  
19          **of indebtedness and to levy and cause to be collected certain taxes as provided**  
20          **in this Subpart and as may be provided by general law.**

21                  **(6) To require and issue licenses with respect to its properties and**  
22          **facilities.**

23                  **(7) To regulate the imposition of fees and rentals charged by the district**  
24          **for its facilities and services rendered by it.**

25                  **(8) To borrow money and pledge all or part of its revenues, leases, rents,**  
26          **or other advantages as security for such loans.**

27                  **(9) To appoint officers, agents, and employees, prescribe their duties, and**  
28          **fix their compensation.**

29                  **(10) To engage in public relations, advertising, marketing activities, and**

1 to provide and disseminate information.

2 (11) To engage in government relations, ombudsman activities, and  
3 government liaison.

4 (12) To provide financial and financing assistance.

5 (13) To provide tax abatement.

6 (14) To provide, directly or indirectly, planning and coordination for  
7 economic development and resource utilization, including such functions as  
8 industrial and economic research and industrial programming and solicitation.

9 (15) To provide industrial training, technical assistance, and technology  
10 transfer.

11 (16) To use public and other legal powers to facilitate development.

12 (17) To promote transfer mechanisms to take ideas, from their point of  
13 origin or development, to commercially successful utilization by local  
14 enterprises.

15 (18) To foster entrepreneurial activities in Vernon Parish or in the  
16 region.

17 (19) To promote the development of new products, processes, or services  
18 or new uses for existing products, processes, or services manufactured,  
19 produced or marketed in Vernon Parish or in the region.

20 (20) To support market research aimed at identifying new markets for  
21 local or regional products and processes, including international markets; to  
22 determine the characteristics, needs and preferences of those markets; and to  
23 develop new marketing techniques to exploit those markets.

24 (21) To foster and support economic and industrial development and  
25 education in cooperation with private business enterprises, financial  
26 institutions, educational institutions, non-profit institutions and organizations,  
27 state government and political subdivisions of the state, the federal government,  
28 and other organizations or persons concerned with research, development,  
29 education, commercial application, and economic or industrial development in

1 ways that increase the economic base of Vernon Parish or of the region.

2 (22) The governing authority of the district may enter a cooperative  
3 endeavor agreement with the Vernon Parish Economic Development  
4 Foundation or any successor thereof, or the Vernon Parish government or any  
5 other eligible entity pursuant to applicable laws to achieve any of the lawful  
6 purposes of the district.

7 (23) For the purposes enumerated in this Subpart, and in order to  
8 achieve any of the lawful purposes of the district, the district may engage in  
9 whatever activities and projects it deems most appropriate to encourage and to  
10 assist economic growth and development in accordance with and pursuant to  
11 provisions of this Subpart.

12 §130.873. Economic and industrial development

13 A.(1) The district shall have the power to construct, acquire, finance, or  
14 lease facilities, including sites or facilities for industrial, business or commercial  
15 parks and plants, and including the acquisition of sites and facilities and other  
16 necessary property or appurtenances thereto within or outside the district, and  
17 to acquire, construct, improve, operate, maintain, and provide improvements  
18 and services necessary therefor, including but not limited to roads, street  
19 lighting, bridges, rail facilities, drainage, sewage disposal facilities, solid waste  
20 disposal facilities, waterworks, and other utilities and related properties.  
21 However, in connection with any projects outside the geographic boundaries of  
22 the district, the district must make a determination that such development  
23 provides a substantial benefit to the district, the region or to business and  
24 industry of persons located within the geographic boundaries of the district or  
25 region.

26 (2) The district shall also have the authority to sell, lease, or otherwise  
27 dispose of, by suitable and appropriate contract, to any enterprise locating or  
28 existing within the district all or any part of a site, building, or other property  
29 owned by the district. In determining the consideration for any contract to

1 lease, sell, or otherwise dispose of lands, buildings, or other property of the  
2 district, the board of commissioners may take into consideration the value of the  
3 lands, buildings, or other properties involved as well as the potential value of  
4 the economic impact of the enterprise being induced to locate or expand within  
5 the district. Such economic impact shall include increased employment,  
6 increased use of local labor, wages and salaries to be paid, consumption of local  
7 materials, products, and resources, and special tax revenues to be generated by  
8 the enterprise acquiring or leasing lands, buildings, or other property from the  
9 district. The district shall be empowered to enter into leases.

10 (3) The resolution or ordinance adopted by the board of commissioners  
11 authorizing any lease, sale, or other disposition of lands, buildings, or other  
12 property of the district or any attachment thereto shall set forth, in a general  
13 way, the terms of the authorized lease, sale, or other disposition, and such  
14 resolution or ordinance shall be published as soon as possible in one issue of the  
15 official journal of the district. For a period of thirty days from the date of  
16 publication of any such resolution or ordinance, any interested person may  
17 contest the legality of such resolution or ordinance or the validity of the  
18 authorized lease, sale, or other disposition of district property, after which time  
19 no one shall have any cause of action to contest the legality of said resolution or  
20 ordinance or to draw in question the legality of the authorized lease, sale, or  
21 other disposition of district property for any cause whatsoever, and it shall be  
22 conclusively presumed thereafter that every legal requirement has been  
23 complied with and no court shall have authority to inquire into such matters  
24 after the lapse of thirty days.

25 B. The district shall have the following additional powers, together with  
26 all powers incidental thereto or necessary for the performance of those  
27 hereinafter stated:

28 (1) To acquire, whether by purchase, expropriation, exchange, gift, lease,  
29 or otherwise, and to construct and improve, maintain, equip, and furnish one

1 or more economic development projects, including all immovable and movable  
2 properties that the board of commissioners may deem necessary in connection  
3 therewith and whether or not any such project shall be in existence.

4 (2) To lease or to contract for the use to or by others of any or all of its  
5 authorized projects and to charge and collect rent, fees, or charges therefor, and  
6 to terminate any such lease or contractual arrangement upon the failure of the  
7 lessee or contracting party to comply with any of the obligations thereof all as  
8 may be provided for in the lease or other contractual agreement to which the  
9 district may become a part.

10 (3) To sell, exchange, donate, and convey any or all of its projects upon  
11 such terms and conditions as the board of commissioners may deem advisable,  
12 including the power to receive for any such sale or project the first mortgage  
13 note or notes of the purchaser of a project representing unpaid installments of  
14 the purchase price due by the purchaser to the district whenever the board of  
15 commissioners finds any such actions to be in furtherance of the purposes for  
16 which the district was organized.

17 (4) As security for the payment of the principal of and interest on any  
18 bonds, notes, or other obligations of the district and any agreements made in  
19 connection therewith, to mortgage and pledge any or all of its projects or any  
20 part or parts thereof, whether then owned or thereafter acquired, and to pledge  
21 the revenues and receipts therefrom or from any other source.

22 (5)(a) To enter into any cooperative financing associated with economic  
23 and industrial development between or among the district and the state, any of  
24 its local governmental subdivisions, political corporations, or public benefit  
25 corporations, the United States or its agencies, or any public or private  
26 association, corporation, or individual.

27 (b) To enter into any economic or industrial development project  
28 between or among the district and the state, any of its local governmental  
29 subdivisions, political corporations, or public benefit corporations, the United

1       States or its agencies, or any public or private association, corporation, or  
2       individual. Said methods of cooperative development shall include, but not be  
3       limited to any number of joint development agreements and cooperative  
4       ownership, limited partnerships, and investment syndicates not prohibited by  
5       the constitution of Louisiana. Regardless of the method of financing, the district  
6       shall attempt to obtain the most favorable arrangement available in order to  
7       protect and ensure economic and industrial development.

8               (c) To cooperate with and to engage in cooperative endeavors with other  
9       persons and entities as provided by Article VII, Section 21(H) of the  
10       Constitution of Louisiana to provide a means by which owners of such  
11       properties who expand, restore, improve, and develop them may pay ad  
12       valorem taxes for five years based upon the assessed valuation of the property  
13       for the year prior to the commencement of the expansion, restoration,  
14       improvement, or development.

15               C.(1) In addition to any other authority or powers granted the district,  
16       the district shall have full power and authority to issue obligations and to  
17       provide funds for the furtherance and accomplishment of any authorized public  
18       function. For purposes of this Subpart, "authorized public function" shall mean  
19       and include but not be limited to hospital, medical health, nursery care, nursing  
20       care, clinical, ambulance, laboratory, and related services and facilities; housing  
21       mortgage finance and related services, activities, facilities, and properties;  
22       penitentiary, rehabilitation, incarceration, and other correctional services and  
23       facilities; educational services and facilities and related housing and dormitory  
24       services and facilities; providing, developing, securing, and improving water  
25       storage treatment, supply, and distribution services and facilities; sanitary and  
26       storm sewer and other liquid and solid waste collection, disposal, treatment, and  
27       drainage services and facilities; educational or commercial communication  
28       equipment, and facilities; mass transit, commuting and transportation, and  
29       parking services, equipment, and facilities; cultural, entertainment and civic

1 facilities, services, and activities; community development and redevelopment  
2 facilities and activities; gas, electric, petroleum, coal, and other energy  
3 collection, recovery, generation, storage, transportation, transmission and  
4 distribution facilities and activities; industrial, manufacturing, and other  
5 economic development facilities and activities; antipollution and air, water,  
6 ground, and subsurface pollution abatement and control facilities and activities;  
7 airport and waterport and related facilities, services, and activities, and  
8 facilities, property, and equipment of any nature for the use or occupancy of the  
9 state or its political subdivisions, the United States, or any agencies or  
10 instrumentalities thereof, or any other private person or entity. Each of the  
11 functions described herein shall constitute an "industry" within the meaning of  
12 Article VI, Section 21 of the Constitution of Louisiana, and the powers granted  
13 in this Subpart to assist such industries, including, without limitation, the loan,  
14 grant or donation of funds is hereby deemed to be the assistance of industry  
15 within the meaning of Article VI, Section 21 of the Constitution of Louisiana.

16 (2) The district is authorized to issue obligations to accomplish any of the  
17 foregoing authorized public functions or purposes and shall have those powers  
18 enumerated in Subsection B of this Section, together with all other powers  
19 incidental thereto or necessary for the performance of those enumerated or  
20 related thereto.

21 D. For purposes of this Subpart, unless the context clearly states  
22 otherwise, the following definitions shall apply:

23 (1) "Cooperative endeavor" means any form of economic development  
24 assistance between or among the district and the state, any of its political  
25 subdivisions, political corporations, or public benefit corporations, the United  
26 States or its agencies, or any public or private association, corporation, or  
27 individual. The term "cooperative endeavor" shall include but not be limited  
28 to cooperative financing, cooperative development, or any other form of  
29 cooperative economic development activity and shall be construed liberally in

1 order to give it the broadest possible application.

2 (2) "Cooperative financing" means any method of financing an economic  
3 development project between or among the district and the state or its political  
4 subdivisions, political corporations, or public benefit corporations, the United  
5 States or its agencies, or any public or private association, corporation, or  
6 individual. The methods of financing shall include loans, loan guarantees, land  
7 write-downs, grants, lease guarantees or any form of financial subsidy or  
8 incentive. Such loan, grant, donation and other means of cooperative financing  
9 is deemed hereunder to be the assistance of the industries authorized to be  
10 assisted by this Subpart under the provisions of Article VI, Section 21 of the  
11 Constitution of Louisiana. The term "cooperative financing" shall be construed  
12 liberally in order to give it the broadest possible application.

13 (3) "Cooperative development" means any method of cooperative  
14 development between or among the district and the state, and of its political  
15 subdivisions, political corporations, or public benefit corporations, the United  
16 States or its agencies, or any public or private association, corporation, or  
17 individual. The methods of cooperative development shall include but not be  
18 limited to any number of joint development agreements such as condominiums  
19 and cooperative ownership limited partnerships and investments syndicates.  
20 The term "cooperative development" shall be construed liberally in order to  
21 give it the broadest possible application.

22 E. The district is likewise hereby authorized and shall have the authority  
23 and power necessary in order to carry out and effectuate the purposes and  
24 provisions of this Subpart, including, without limiting the generality of the  
25 foregoing, the following specific authority and powers, which shall be in  
26 addition to others herein granted:

27 (1) To apply for and to receive and accept for or from any federal  
28 agency, the state, or political subdivision of the state or for or from any public  
29 or private source any grants, loans, or advance for or in the aid of an economic

1 development cooperative endeavor, project, or projects, to give and accept such  
2 equity or security as may be required, and to enter into and carry out a contract  
3 or contracts or agreements in connection therewith, provided that public notice  
4 is given prior to such actions.

5 (2) To procure insurance against any losses in connection with its  
6 property in such amounts and from such insurers as may be necessary and  
7 desirable.

8 (3) To sponsor and conduct conferences and studies, to collect and  
9 disseminate information, and to issue periodic reports.

10 (4) To assist local and regional businesses in applying for federal  
11 research grants and state or federal procurement contracts including  
12 dissemination of information on the availability of such grants and contracts.

13 (5) To collect and disseminate information on financial, technical,  
14 marketing, management, and other services available to local and regional  
15 businesses on a free or for-hire basis from universities, private for profit  
16 businesses, and nonprofit organizations, or to provide for such services itself or  
17 in cooperation with public or private persons.

18 (6) To receive, loan, or expand seed capital or venture capital.

19 §130.874. Taxes; borrowing money

20 A. The board of commissioners may, when necessary, levy annually an  
21 ad valorem tax, provided that the amount, term, and purpose of the tax, as set  
22 out in a proposition submitted to a vote in accordance with the Louisiana  
23 Election Code, shall be approved by a majority of the qualified electors voting  
24 in a special election held for that purpose.

25 B.(1) The board of commissioners may, subject to approval of a majority  
26 of the electors voting at an election held for the purpose, levy and collect a sales  
27 and use tax within the boundaries of the district for such purposes and at such  
28 rate as provided by the proposition authorizing its levy, not exceeding one  
29 percent, which tax may exceed the limitation set forth in Article VI, Section

1           **29(A) of the Constitution of Louisiana.**

2                   **(2) The tax shall be levied upon the sale at retail, the use, the lease or**  
3                   **rental, the consumption, the distribution and storage for use or consumption of**  
4                   **tangible personal property, and upon the sales of services within the district, all**  
5                   **as presently defined in R.S. 47:301.**

6                   **(3) Except where inapplicable, the procedure established by R.S. 47:301**  
7                   **through 317 shall be followed in the imposition, collection, and enforcement of**  
8                   **the tax, and procedural details necessary to supplement those Sections and to**  
9                   **make them applicable to the tax herein authorized shall be fixed in the**  
10                   **resolution imposing the tax.**

11                   **(4) The tax shall be imposed and collected uniformly throughout the**  
12                   **district.**

13                   **C. In addition to any tax, fee, charge, or assessment otherwise authorized**  
14                   **by this Subpart, the district may levy or impose any tax, fee, charge, or**  
15                   **assessment which is approved by a majority of the voters of the district who**  
16                   **vote at an election held for such purpose.**

17                   **D. All funds derived under this Section may be used only for expenses or**  
18                   **specified purposes of the district. The board of commissioners shall establish**  
19                   **and maintain, in addition to all necessary and normal accounts, the following**  
20                   **special accounts:**

21                   **(1) A revolving-loan guarantee fund, to be used to guarantee industrial**  
22                   **or business terminal development loans to the extent permitted by the**  
23                   **Constitution of Louisiana under the following guidelines:**

24                   **(a) Loan guarantees shall be made only when adequate financing for the**  
25                   **project is unavailable through normal lending channels and the project**  
26                   **represents a sound business venture that is financially and economically**  
27                   **feasible.**

28                   **(b) Loan guarantees shall be used to assist an identifiable business**  
29                   **concern to finance plant construction, conversion, or expansion and to finance**

1 acquisition of land, existing structures, machinery, or equipment and to provide  
2 operational funds.

3 (c) The terms and rates shall be compatible with loans offered by local  
4 lending institutions, and the guarantee shall never exceed forty percent of the  
5 cost of the total project. In addition, the district shall attempt to obtain the most  
6 favorable security available under the circumstances to protect and ensure the  
7 recovery of its commitment under the guarantee.

8 (d) Loan guarantees may be evaluated for the economic impact in terms  
9 of the number and types of jobs created or saved.

10 (e) Loan guarantees shall be made to leverage other sources of private  
11 and public capital to attain the greatest economic impact possible with the  
12 limited funds available.

13 (f) Loan guarantees shall be targeted to industries, manufacturing firms,  
14 and wholesale distribution firms and service firms.

15 (g) No project may be considered unless the project will be constructed  
16 and maintained by persons at least eighty percent of whom are residents of the  
17 parish of Vernon and at least eighty percent of the goods and services for  
18 maintenance of the project are obtained from a supplier domiciled within the  
19 parish, except where not reasonably possible to do so without substantial added  
20 expense, substantial inconvenience, or substantial sacrifice in operational  
21 efficiency.

22 (h) The lending or underwriting principals shall have such demonstrated  
23 experience, ability, and net worth as would allow for the success, continuation,  
24 security, and solvency of the program. Prudent lending and underwriting  
25 standards shall be applied in order to comply with the primary objectives of this  
26 Section.

27 (2) An economic development operation fund, for the development and  
28 attraction of industries to accomplish the following:

29 (a) The operational fund shall be used for operating expenses necessary

1 in creation of industrial and commercial development, in hiring sufficient staff  
2 to accomplish the purposes set out in this Subpart, and other related expenses.

3 (b) The operational fund may also be utilized in contracting for services  
4 as may be required by the district including but not limited to planning  
5 assistance, surveys, land use studies, professional and technical services, and  
6 other services necessary to effectuate a unified industrial development plan.

7 (3) An account for the maintenance and operation of a governmental  
8 procurement center to provide necessary information to companies and  
9 individuals engaged in providing services and goods to accomplish the  
10 following:

11 (a) Pinpoint and identify potential buying centers and aid in placing the  
12 company on a bidder's list for these centers and assist companies in obtaining  
13 specifications for their products or services.

14 (b) Provide trained counselors to assist in acquiring solicitation and bid  
15 packages and conduct seminars designed to disseminate other information  
16 needed by the target companies and individuals.

17 E. Any tax levied under this Section shall be in addition to all other taxes  
18 which the city, parish, or any other political subdivision within the parish of  
19 Vernon are now or hereafter authorized to levy and collect.

20 §130.875. Obligations of the district

21 A. The district shall have authority to incur debt for any one or more of  
22 its lawful purposes set forth in this Subpart, to issue in its name negotiable  
23 bonds, notes, certificates of indebtedness, or other evidences of debt and to  
24 provide for the security and payment thereof.

25 B.(1) The district may in its own name and behalf incur debt and issue  
26 general obligation ad valorem property tax secured bonds under the authority  
27 of and subject to the provisions of Article VI, Section 33 of the Constitution of  
28 Louisiana, Subpart A of Part III of Chapter 4 of Subtitle II of Title 39 of the  
29 Louisiana Revised Statutes of 1950, when approved by a majority of the

1 qualified voters who vote in a special election called and conducted under the  
2 authority of the Louisiana Election Code, including Chapter 6-A of Title 18 of  
3 the Louisiana Revised Statutes of 1950, as amended. General obligation bonds  
4 of the district may be issued for any of the purposes for which the district is  
5 created or is authorized to act under any provisions of this Subpart all of which  
6 purposes are hereby found and declared to be public purposes and functions of  
7 the state of Louisiana, which are delegated to the district.

8 (2) The district may in its own name and behalf issue revenue bonds for  
9 the purposes for which the district is created or is authorized to act under any  
10 of the provisions of this Subpart, including improvement revenue bonds. The  
11 bonds shall be issued in the manner as provided in R.S. 39:991 through 1002  
12 and R.S. 39:1011 through 1025. In addition to other authorized methods of  
13 issuance of revenue bonds and as separate and distinct authority for the  
14 issuance of revenue bonds, in addition to any other procedures and  
15 authorization, the district is hereby authorized as follows:

16 (a) Revenue bonds may be issued by the district to accomplish any of the  
17 authorized public functions or purposes set forth in this Subpart. All such bonds  
18 shall be negotiable instruments and shall be solely the obligations of the district.  
19 Such bonds shall be authorized and issued by resolution adopted by a majority  
20 vote of the board of commissioners of the district and shall be of such series,  
21 bear such date or dates, mature at such time or times, bear interest at such rate  
22 or rates, be in such denominations, be in such form, either coupon or fully  
23 registered without coupons, carry such registration and exchangeability  
24 privileges, be payable at such place or places, be subject to such terms of  
25 redemption, and be entitled to such priorities on the income, revenue, and  
26 receipts of the district as such resolution may provide. The bonds shall be signed  
27 by such officers as the district shall determine, and such signatures may be by  
28 facsimile.

29 (b) Such bonds shall be sold by the board of commissioners of the district

1 in such manner as may be determined by the district to be most beneficial to the  
2 district and the district shall pay all expenses and commissions that it may deem  
3 necessary or advantageous in connection with the issuance and sale of such  
4 bonds. Such bonds may, in the discretion of the district, be additionally secured  
5 by a mortgage on all or any part of the projects acquired, constructed, extended  
6 or improved with the proceeds thereof, and the district shall have full discretion  
7 to make such provisions as it may see fit for the making and enforcement of  
8 such mortgage and provisions to be therein contained.

9 (c) The issuance and sale of such bonds by the district shall be approved  
10 by the State Bond Commission. At least seven days prior to the sale of such  
11 bonds by the district, the district shall cause to have published a notice of sale  
12 in the official journal of the parish of Vernon, Louisiana. This notice of sale  
13 shall state if any proposals have been made for the purchase of the bonds and  
14 that other proposals will be considered and that the proposal most  
15 advantageous to the district will be accepted at the time of the sale. For a period  
16 of thirty days from the date of publication of the notice of sale, any person or  
17 persons with interest shall have the right to contest the legality of the notice of  
18 sale, resolution, or other proceeding authorizing the issuance of the bonds and  
19 the legality of the bond issue for any cause, after which time no one shall have  
20 any cause or right of action to contest the legality of said resolution or other  
21 proceedings or of the bonds authorized thereby for any cause whatsoever. If no  
22 suit, action, or proceedings are begun contesting the validity of the bonds and  
23 provisions for the payment thereof, the legality thereof, and of all the provisions  
24 of the resolution or other proceedings authorizing the issuance of the bonds  
25 shall be conclusively presumed, and no court shall have authority to inquire into  
26 such matters.

27 (d) Such bonds shall have the qualities of negotiable instruments under  
28 the commercial laws of the state of Louisiana. All such bonds shall be special  
29 and limited obligations of the district. In no event shall any such bonds

1 constitute an obligation, either general or special, of the general credit of the  
2 district or of the state of Louisiana within the meaning of any constitutional or  
3 statutory provision whatsoever, and the bonds shall contain a recital to that  
4 effect.

5 (3) The district may in its own name and behalf borrow from time to  
6 time in the form of certificates of indebtedness. The certificates shall be secured  
7 by the dedication and pledge of monies of the district derived from any lawful  
8 sources, including fees, lease rentals, service charges, local service agreement  
9 payments from one or more other contracting parties, the avails of ad valorem  
10 property taxation, or any combination of such sources of income, provided that  
11 the term of such certificates shall not exceed ten years and the annual debt  
12 service on the amount borrowed shall not exceed the anticipated revenues to be  
13 dedicated and pledged to the payment of the certificates of indebtedness, as  
14 shall be estimated by the board of commissioners of the district at the time of  
15 the adoption of the resolution authorizing the issuance of such certificates. The  
16 estimate of the board of commissioners referred to in the authorizing resolution  
17 shall be conclusive for all purposes of this Section.

18 (4) The district may borrow the amount of the anticipated ad valorem  
19 tax, not to exceed five mills, authorized by R.S. 33:130.874 for a period not to  
20 exceed ten years and may issue certificates of indebtedness therefor and may  
21 dedicate the avails of the tax funded for the payment thereof for the period of  
22 time the certificates are outstanding.

23 (5) The board of commissioners, as the governing authority of the  
24 district, is authorized to adopt all necessary resolutions or ordinances which  
25 may be necessary for ordering, holding, canvassing, and promulgating the  
26 returns of any election required for the issuance of general obligation bonds, or  
27 limited tax secured obligations or for the voting of a property tax millage, which  
28 resolutions or ordinances may include covenants for the security and payment  
29 of any bonds or other evidence of debt so issued.

1           **(6) For a period of thirty days from the date of publication of any**  
2           **resolution or ordinance authorizing the issuance of any bonds, certificates of**  
3           **indebtedness, notes, or other evidence of debt of the district, any interested**  
4           **person may contest the legality of such resolution or ordinance and the validity**  
5           **of such bonds, certificates of indebtedness, notes, or other evidence of debt**  
6           **issued or proposed to be issued thereunder and the security of their payment,**  
7           **after which time no one shall have any cause of action to contest the legality of**  
8           **the resolution or ordinance or to draw in question the legality of the bonds,**  
9           **certificates of indebtedness, notes, or other evidence of debt, the security**  
10           **therefor, or the debts represented thereby for any cause whatever, and it shall**  
11           **be conclusively presumed that every legal requirement has been complied with,**  
12           **and no court shall have authority to inquire into such matters after the lapse of**  
13           **thirty days.**

14           **(7) The issuance and sale of such bonds, certificates of indebtedness,**  
15           **notes, or other evidence of debt by the district shall be subject to approval by**  
16           **the State Bond Commission.**

17           **(8) Such bonds, certificates of indebtedness, notes, or other evidence of**  
18           **debt shall have all the qualities of negotiable instruments under the commercial**  
19           **laws of the state of Louisiana.**

20           **§130.876. Securities**

21           **Bonds, certificates, or other evidences of indebtedness issued by the**  
22           **district under this Subpart are deemed to be securities of public entities within**  
23           **the meaning of Chapters 13 and 13-A of Title 39 of the Louisiana Revised**  
24           **Statutes of 1950, and shall be subject to defeasance in accordance with the**  
25           **provisions of Chapter 14 of Title 39 of the Louisiana Revised Statutes of 1950,**  
26           **and may be refunded in accordance with the provisions of Chapters 14-A and**  
27           **15 of Title 39 of the Louisiana Revised Statutes of 1950, and may also be issued**  
28           **as short-term revenue notes of a public entity under Chapter 15-A of Title 39**  
29           **of the Louisiana Revised Statutes of 1950.**

1           **§130.877. Exemption from taxation**

2           **The district and all properties at any time owned by the district and the**  
3           **income therefrom and all bonds, certificates, and other evidence of indebtedness**  
4           **issued by the district under this Subpart and the interest or income therefrom**  
5           **shall be exempt from all taxation by the state of Louisiana.**

6           **§130.878. General compliances; enhancement**

7           **A. Except as otherwise specifically provided by and Subsection D of this**  
8           **Section, no provision of this Subpart shall be construed so as to exempt the**  
9           **district from compliance with the provisions of Louisiana laws pertaining to**  
10           **open meetings, public records, fiscal agents, official journals, dual officeholding**  
11           **and employment, public bidding for the purchase of supplies and materials and**  
12           **construction of public works, the Code of Governmental Ethics, the Right to**  
13           **Property in Article I, Section 4 of the Constitution of Louisiana, and the**  
14           **Louisiana Election Code.**

15           **B. The district shall have the power and right to adopt a program or**  
16           **programs awarding contracts to, and establishing set-aside goals and preference**  
17           **procedures for the benefit of, businesses owned and operated by socially or**  
18           **economically disadvantaged persons in accordance with any of the provisions**  
19           **of R.S. 38:2233 and of Chapter 19 of Title 39 of the Louisiana Revised Statutes**  
20           **of 1950, entitled "Louisiana Minority Business Enterprise Act".**

21           **C. The financial records of the district shall be subjected to audit**  
22           **pursuant to R.S. 24:513.**

23           **D. Records in the custody of the district pertaining to an active**  
24           **negotiation with a person for the purpose of retaining, expanding, or attracting**  
25           **economic or business development in Vernon Parish shall be confidential on the**  
26           **same basis as such records in the custody of the Department of Economic**  
27           **Development as set forth in R.S. 44:22, with the district's executive director**  
28           **performing the duties and obligations of the secretary of the Department of**  
29           **Economic Development and with any notice required therein being published**

1           in the official journal of Vernon Parish rather than the official journal of the  
2           state.

3           Section 2. This Act shall become effective upon signature by the governor or, if not  
4           signed by the governor, upon expiration of the time for bills to become law without signature  
5           by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
6           vetoed by the governor and subsequently approved by the legislature, this Act shall become  
7           effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part  
of the legislative instrument, were prepared by James Benton.

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## DIGEST

SB 459 Original

2020 Regular Session

Reese

Proposed law creates the Vernon Parish Development District (district) as a body politic and political subdivision of the state of Louisiana. Provides that the district, acting through its board of commissioners, the governing authority of the district, is granted all of the rights, powers, privileges, and immunities granted to political subdivisions for economic and industrial development purposes, including but not limited to the power of taxation, the power to incur debt and issue revenue and general obligation bonds.

Proposed law provides that the district is established for the primary object and purpose of promoting and encouraging the development of economic and industrial opportunities, stimulating the economy through renewed commerce and industry, and for the utilization and development of natural and human resources of the area by providing job opportunities.

Proposed law provides that the boundaries of the district will be coterminous with the boundaries of Vernon Parish.

Proposed law provides that the district will be governed by a board of commissioners consisting of nine members selected as provided for in proposed law. All members shall be qualified voters and taxpayers within the limits of the district during their term of office.

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

- (1) To sue and be sued.
- (2) To adopt, use, and alter at will a corporate seal.
- (3) To acquire by gift, grant, expropriation, purchase, or otherwise all property, including rights of way; to hold and use any franchise or property, real, personal, or mixed, tangible or intangible, or any interest therein, necessary or desirable for carrying out the objects and purposes of the district, including but not limited to the establishment, maintenance, and operation of industrial parks, ports, harbors, and terminals.
- (4) To enter into contracts for the purchase, acquisition, construction, and improvement of works and facilities necessary in connection with the purposes of the district.

- (5) In its own name and on its own behalf to incur debt and to issue general obligation bonds, revenue bonds, certificates, notes, and other evidences of indebtedness and to levy and cause to be collected certain taxes.
- (6) To require and issue licenses with respect to its properties and facilities.
- (7) To regulate the imposition of fees and rentals charged by the district for its facilities and services rendered by it.
- (8) To borrow money and pledge all or part of its revenues, leases, rents, or other advantages as security for such loans.
- (9) To appoint officers, agents, and employees, prescribe their duties, and fix their compensation.
- (10) To engage in public relations, advertising, marketing activities, and to provide and disseminate information.
- (11) To engage in government relations, ombudsman activities, and government liaison.
- (12) To provide financial and financing assistance.
- (13) To provide tax abatement.
- (14) To provide, directly or indirectly, planning and coordination for economic development and resource utilization, including such functions as industrial and economic research and industrial programming and solicitation.
- (15) To provide industrial training, technical assistance, and technology transfer.
- (16) To use public and other legal powers to facilitate development.
- (17) To promote transfer mechanisms to take ideas, from their point of origin or development, to commercially successful utilization by local enterprises.
- (18) To foster entrepreneurial activities in Vernon Parish or in the region.
- (19) To promote the development of new products, processes, or services or new uses for existing products, processes, or services manufactured, produced or marketed in Vernon Parish or in the region.
- (20) To support market research aimed at identifying new markets for local or regional products and processes, including international markets; to determine the characteristics, needs and preferences of those markets; and to develop new marketing techniques to exploit those markets.
- (21) To foster and support economic and industrial development and education in cooperation with private business enterprises, financial institutions, educational institutions, non-profit institutions and organizations, state government and political subdivisions of the state, the federal government, and other organizations or persons concerned with research, development, education, commercial application, and economic or industrial development in ways that increase the economic base of Vernon Parish or of the region.
- (22) The governing authority of the district may enter a cooperative endeavor agreement with the Vernon Parish Economic Development Foundation or any successor thereof, or the Vernon Parish government or any other eligible entity pursuant to applicable laws to achieve any of the lawful purposes of the district.

- (23) For purposes enumerated in proposed law and in order to achieve any of the lawful purposes of the district, the district may engage in whatever activities and projects it deems most appropriate to encourage and to assist economic growth and development.

Proposed law provides that the district shall have the power to construct, acquire, finance, or lease facilities, including sites or facilities for industrial, business or commercial parks and plants, and including the acquisition of sites and facilities and other necessary property or appurtenances thereto within or outside the district, and to acquire, construct, improve, operate, maintain, and provide improvements and services necessary therefor, including but not limited to roads, street lighting, bridges, rail facilities, drainage, sewage disposal facilities, solid waste disposal facilities, waterworks, and other utilities and related properties. However, in connection with any projects outside the geographic boundaries of the district, the district must make a determination that such development provides a substantial benefit to the district, the region or to business and industry of persons located within the geographic boundaries of the district or region.

Proposed law provides that the district will also have the authority to sell, lease, or otherwise dispose of, by suitable and appropriate contract, to any enterprise locating or existing within the district all or any part of a site, building, or other property owned by the district. In determining the consideration for any contract to lease, sell, or otherwise dispose of lands, buildings, or other property of the district, the board of commissioners may take into consideration the value of the lands, buildings, or other properties involved as well as the potential value of the economic impact of the enterprise being induced to locate or expand within the district. Such economic impact shall include increased employment, increased use of local labor, wages and salaries to be paid, consumption of local materials, products, and resources, and special tax revenues to be generated by the enterprise acquiring or leasing lands, buildings, or other property from the district. The district shall be empowered to enter into leases.

Proposed law provides that the board of commissioners may, when necessary, levy annually an ad valorem tax, provided that the amount, term, and purpose of the tax, as set out in a proposition submitted to a vote in accordance with the Louisiana Election Code, is approved by a majority of the qualified electors voting in a special election held for that purpose.

Proposed law provides that the board of commissioners may, subject to approval of a majority of the electors voting at an election held for the purpose, levy and collect a sales and use tax within the boundaries of the district for such purposes and at such rate as provided by the proposition authorizing its levy, not exceeding one percent, which tax may exceed the limitation set forth in the Constitution of Louisiana.

Proposed law provides that the tax will be levied upon the sale at retail, the use, the lease or rental, the consumption, the distribution and storage for use or consumption of tangible personal property, and upon the sales of services within the district, all as presently defined in present law.

Proposed law provides that the district will have authority to incur debt for any one or more of its lawful purposes set forth in proposed law, to issue in its name negotiable bonds, notes, certificates of indebtedness, or other evidences of debt and to provide for the security and payment thereof.

Proposed law provides that the district may in its own name and behalf incur debt and issue general obligation ad valorem property tax secured bonds when approved by a majority of the qualified voters who vote in a special election called and conducted under the authority of the Louisiana Election Code. General obligation bonds of the district may be issued for any of the purposes for which the district is created or is authorized to act under any provisions of this Subpart all of which purposes are hereby found and declared to be public purposes and functions of the state of Louisiana, which are delegated to the district.

Proposed law provides that the district may in its own name and behalf issue revenue bonds for the purposes for which the district is created or is authorized to act, including improvement revenue bonds.

Proposed law provide that Revenue bonds may be issued by the district to accomplish any of the authorized public functions or purposes set in proposed law. All such bonds are negotiable instruments and shall be solely the obligations of the district. Such bonds shall be authorized and issued by resolution adopted by a majority vote of the board of commissioners of the district and are of such series, bear such date or dates, mature at such time or times, bear interest at such rate or rates, be in such denominations, be in such form, either coupon or fully registered without coupons, carry such registration and exchangeability privileges, be payable at such place or places, be subject to such terms of redemption, and be entitled to such priorities on the income, revenue, and receipts of the district as the resolution may provide. The bonds shall be signed by such officers as the district shall determine, and such signatures may be by facsimile.

Proposed law provides that such bonds will be sold by the board of commissioners of the district in such manner as may be determined by the district to be most beneficial to the district and the district shall pay all expenses and commissions that it may deem necessary or advantageous in connection with the issuance and sale of such bonds. Such bonds may, in the discretion of the district, be additionally secured by a mortgage on all or any part of the projects acquired, constructed, extended or improved with the proceeds thereof, and the district shall have full discretion to make such provisions as it may see fit for the making and enforcement of such mortgage and provisions to be therein contained.

Proposed law provides that bonds, certificates, or other evidences of indebtedness issued by the district are deemed to be securities of public entities, and shall be subject to defeasance, and may be refunded, and may also be issued as short-term revenue notes of a public entity.

Proposed law provides that the district and all properties at any time owned by the district and the income therefrom and all bonds, certificates, and other evidence of indebtedness issued by the district under proposed law and the interest or income therefrom will be exempt from all taxation by the state of Louisiana.

Proposed law provides that the district will be subject to the provisions of Louisiana laws pertaining to open meetings, public records, fiscal agents, official journals, dual officeholding and employment, public bidding for the purchase of supplies and materials and construction of public works, the Code of Governmental Ethics, the Right to Property and the Louisiana Election Code. Proposed law provides an exception for the records in the custody of the district pertaining to an active negotiation with a person for the purpose of retaining, expanding, or attracting economic or business development in Vernon Parish which shall be confidential.

Proposed law provides that the district will have the power and right to adopt a program or programs awarding contracts to, and establishing set-aside goals and preference procedures for the benefit of, businesses owned and operated by socially or economically disadvantaged persons.

Proposed law provides that the financial records of the district shall be subjected to audit by the legislative auditor.

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

(Adds R.S. 33:130.870-878)