

SENATE CONCURRENT RESOLUTION NO. 43

BY SENATOR BERNARD

A CONCURRENT RESOLUTION

To create a task force to meet, study, and make recommendations regarding the dissolution or absorption of fiscally distressed municipalities, benefits, costs, and limitations of employing such processes.

WHEREAS, there are certain municipalities that do not provide adequate fiscal management over billing, collections, budgeting, and expenditure control resulting in deficits, poor cash flow, and limited municipal resources to conduct daily public business; and

WHEREAS, there are certain municipalities that have lost the ability to generate sufficient revenue to cover expenditures due to such factors as population loss and/or the loss of business; and

WHEREAS, there are certain municipalities that do not have sufficient financial resources to ensure that they are able to provide the most basic of services to their constituents such as healthy drinking water and environmentally safe sewer systems; and

WHEREAS, there are certain municipalities that do not have sufficient revenue to make principal and interest payments on debt; and

WHEREAS, there are certain municipalities that are delinquent with submitting their annual audit reports to the Louisiana legislative auditor for three or more years; and

WHEREAS, certain municipalities have requested to be dissolved, but current processes may not offer them suitable options or may be cost prohibitive; and

WHEREAS, there is a clear need to review current dissolution, absorption, and incorporation laws and procedures and to consider alternative ways of addressing dissolution and absorption so that officials can address fiscally failing municipalities in a more effective and efficient manner.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana creates a task force to study and make recommendations with respect to the dissolution or absorption of

fiscally distressed municipalities including any specific proposals for legislation, by written report to the legislature and to the David R. Poynter Legislative Research Library as required by R.S. 24:771 and 772, no later than September 6, 2024.

BE IT FURTHER RESOLVED that the study task force shall consist of the following members:

- (1) The president of the Senate, or his designee.
- (2) The speaker of the House of Representatives, or his designee.
- (3) The chairman of the House Municipal, Parochial and Cultural Affairs Committee, or his designee.
- (4) The chairman of the Senate Local and Municipal Affairs Committee, or his designee.
- (5) The legislative auditor, or his designee.
- (6) A representative from the legislative fiscal office.
- (7) The attorney general, or his designee.
- (8) The state treasurer, or his designee.
- (9) The commissioner of administration, or his designee.
- (10) Two representatives from the Louisiana Municipal Association.
- (11) A representative from the Police Jury Association.
- (12) A representative from the Louisiana Sheriff's Association.
- (13) A representative from the Louisiana Association of Chiefs of Police.
- (14) A representative from the Louisiana AFL-CIO.
- (15) A representative from the Louisiana School Boards Association.

BE IT FURTHER RESOLVED that the president of the Senate shall select a chairman from among these members.

BE IT FURTHER RESOLVED that each designating authority shall submit the names of designees to the task force to the secretary of the Senate no later than August 7, 2023.

BE IT FURTHER RESOLVED that no later than September 1, 2023, the chairman of the task force shall convene the first meeting of the task force. At the first meeting, the members may elect a vice chairman and other officers as the task force deems appropriate.

BE IT FURTHER RESOLVED that a majority of the task force shall constitute a quorum for the transaction of business. All official actions of the task force shall require the affirmative vote of a majority of the members.

BE IT FURTHER RESOLVED that the task force shall study such items as those presented below and will recommend any action or legislation which the task force deems necessary or appropriate. Such recommendations shall be made by the task force prior to the 2025 Regular Session of the legislature. These recommendations shall include suggestions regarding necessary legislation and related timelines for drafting and introducing such legislation. Study items shall include but not be limited to the following:

- (1) Examples of how other states have dealt with fiscally failing municipalities.
- (2) Examples of how other states have dealt with dissolution or abolition, and absorption issues and processes when addressing fiscally failing municipalities.
- (3) Dissolution and absorption processes that are currently available to Louisiana municipalities, including their benefits and limitations.
- (4) Continuance of revenue sources for a dissolved or absorbed entity.
- (5) Continuance of revenue sources administered by an absorbing entity.
- (6) Parcel fees employed on residents of dissolved or absorbed entities.
- (7) Process related to overall transfer of assets when entities are dissolved or absorbed.
- (8) Assets used to pay off any debts remaining in a dissolved or absorbed entity and transfer of assets.
- (9) Tax incentives for absorbing entities.
- (10) Issues related to transfer of debt.
- (11) Strategies to employ if there are remaining debts in a dissolved or absorbed entity, such as: how any debts not paid by asset liquidation (in parameters of the dissolved entity) could be restructured, as available, and how the remaining amounts could be paid.
- (12) Possible expenditure decreases or increases to residents as a result of dissolution or absorption.
- (13) Effects on services provided to residents of dissolved or absorbed entities as well as those in the absorbing entity.

(14) If consolidation of larger governments like school boards or parishes should also be considered.

(15) If the study task force should become a more permanent task force that could conduct feasibility studies to determine the need for dissolution or absorption of certain municipalities and recommend such action to the legislature or if other entities are more suited to do so.

BE IT FURTHER RESOLVED that the chairman shall call all meetings of the task force. The task force may conduct such meetings at such places and at such times as it may deem necessary or convenient to enable it to exercise fully and effectively its powers, perform its duties, and accomplish the objectives and purposes of this Resolution.

BE IT FURTHER RESOLVED that the members of the task force shall serve without compensation, but may be reimbursed for travel expenses.

BE IT FURTHER RESOLVED that the Louisiana Senate, legislative auditor's office, state treasurer's office, and any other applicable government entity may be called upon to provide staff to carry out the functions of the task force.

BE IT FURTHER RESOLVED that the task force shall terminate on the date of the submission of its report or September 6, 2024, whichever occurs first.

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES