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## DIGEST

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Jones

HB No. 582

**Abstract:** Creates the Morgan City Development District.

Proposed law creates the Morgan City Development District as a political subdivision of the state having boundaries coterminous with the city of Morgan City.

Provides that the purposes of the district shall include:

- (1) Accepting title from or contracting with the town concerning immovable and movable property and improvements.
- (2) Utilizing that and other property to enhance economic benefits to the town through activities such as planning land use and development, constructing, operating, and maintaining facilities, improvements, and infrastructure, and planning, developing, building, constructing, operating, regulating, maintaining, selling, and transferring any residential or subdivision land, real and personal property, and improvements.

Proposed law provides for a board of five commissioners to govern the district. Provides for their appointment by the mayor of Morgan City and confirmation by the city council. Requires that each commissioner shall be a U.S. citizen and shall have been a voter in Morgan City for at least one year prior to appointment and shall remain such while serving.

Proposed law provides for four-year terms of members including initial terms. Provides that any member who misses more than 50% of meetings of the board in a year shall be removed and shall be ineligible for reappointment until expiration of his vacated term. Further provides that the mayor may remove any member if four members do not object by the second regular meeting after the removal action was first initiated. Requires that any vacancy shall be filled within 60 days by the mayor and council, and if not so filled, requires that the board appoint an interim successor until the position is filled.

Proposed law further provides as follows with respect to the board of commissioners:

- (1) Members of the board shall serve without compensation, but the board may reimburse members for incurred expenses.
- (2) The board may organize and reorganize the executive, administrative, clerical, and other departments and forces of the district, and fix the duties, powers, and compensation of all employees, agents, and consultants of the district.

- (3) Requires that the board elect yearly a chairman, vice chairman, secretary, and treasurer and establish their duties. Authorizes combining the secretary and treasurer position.
- (4) Requires that the board meet once a month and additionally as requested by the chairman or three members.
- (5) Provides that a majority of current members shall constitute a quorum. Requires that actions of the board shall be approved by a majority of the members present and voting except for action on certain specified matters which must be approved by a majority of the complete membership.
- (6) Prohibits vote by proxy. Authorizes any member to request a recorded vote on any resolution or action of the district.
- (7) Requires that the board keep minutes and select an official journal in which it shall publish its minutes and notices.
- (8) Provides that all meetings of the board shall be subject to state laws relative to open meetings.

Proposed law provides that the exercise by the board of its powers shall be an essential governmental function of the state and as such the district shall be exempt from taxation. Further provides that the district shall not be deemed to be a public utility and shall not be subject to the authority of the La. Public Service Commission.

Proposed law grants the district all powers necessary or convenient for the carrying out of its objects and purposes, including:

- (1) To sue and be sued, and as such, to stand in judgment.
- (2) To adopt, use, and alter at will a corporate seal.
- (3) To acquire and to hold and use property or any interest therein.
- (4) To transfer property, or any interest therein, subject to applicable law, and requires that any such transfer shall provide for a fair and equitable return of revenue to the district.
- (5) To lease or sublease property for a term not exceeding 99 years at a fixed or variable rental subject to applicable law, and requires that any such lease shall provide for a fair and equitable return of revenue to the district.
- (6) To sell, lease for a term of up to 99 years, exchange, or otherwise dispose of or transfer to or with other political corporations of this state or private persons at public or private sale any residential or subdivision land, property, improvements, or portions thereof, including immovable property, which is, in the opinion of the board of commissioners,

appropriate to accomplish the objectives and purposes of the district. Requires that prior to such disposition or transfer of property, a majority of the board membership shall approve of the transfer and fix the price and terms thereof. Provides that such disposition or transfer shall not require advertisement or public bids nor the publication or posting of public notice. Further provides that any sale of industrial land shall be in accordance with laws providing for the disposition or transfer of such land.

- (7) To convey to the U.S., the state, or to any political subdivision of the state, any lands, property, right-of-way, easement, servitude, or other thing of value, which the district may own or acquire for use by said governmental entity to accomplish the objects and purposes of the district.
- (8) To make and collect reasonable charges for the use of property of the district and for services rendered by the district and to regulate fees and rentals for use of privately owned facilities located on property owned or sold by the district.
- (9) To enter into contracts, including contracts for professional services and for lease, acquisition, sale, construction, operation, maintenance, and improvements of land, public works, and facilities subject to present law regarding public bidding.
- (10) To plan, develop, regulate, operate, and maintain activities and planned land uses to foster creation of new jobs, economic development, industry, health care, commerce, manufacturing, tourism, relocation of people and businesses to the area, shipbuilding, aviation, military, warehousing, transportation, offices, recreation, housing development, and conservation.
- (11) To acquire land and improvements, to construct, operate, and maintain facilities, improvements and infrastructure, and to perform other functions and activities on property owned or leased by the district to accomplish the objects and purposes of the district and to protect the public health and welfare.
- (12) To incur debt in accordance with present law and to provide for the repayment thereof.
- (13) To require and issue licenses.
- (14) To levy and collect, subject to voter approval, an ad valorem tax.
- (15) To levy and collect, subject to voter approval, a sales and use tax not to exceed 1%. Provides with respect to the levy of such tax that it shall be in addition to any other taxes authorized to be collected by or in St. Mary and St. Martin parishes.
- (16) To develop, activate, construct, exchange, acquire, improve, repair, operate, maintain, lease, mortgage, sell, and grant a security device affecting the movable and immovable property, servitudes, facilities, and works within the district under such terms and conditions as the district may deem necessary or appropriate for any public purpose,

including industrial, housing, and commercial development.

- (17) To designate project areas within the district, each of which shall constitute a political subdivision of the state with the authority to incur debt and levy sales and use tax as provided by proposed law for the district. Requires notice and a public hearing prior to the creation of a subdistrict. Provides for designation of such subdistricts.
- (18) To borrow money and to pledge or grant a security device affecting all or part of its revenues, leases, rents, and other advantages as security for such loans.
- (19) To appoint officers, agents, and employees, prescribe their duties, and fix their compensation.

Proposed law authorizes the district or any subdistrict to issue revenue bonds to acquire, purchase, lease, construct, or improve housing, commercial, research, industrial, or other plant sites and buildings, or other capital improvements authorized by proposed law, including energy and pollution abatement and control facilities and necessary property and appurtenances thereto. Further authorizes the district or any subdistrict to transfer or lease by suitable and appropriate contract to any enterprise locating or existing within the jurisdiction of the district, or the respective subdistrict, such sites, buildings, or facilities and appurtenances thereto. Provides that the funds derived from the sale of bonds may be disbursed in whole or in part as provided in the contract between the district or subdistrict and the residential, commercial, research, industrial, or other enterprise to be aided, encouraged, or benefitted.

Proposed law authorizes the district or any subdistrict to use the proceeds of revenue bonds to acquire, purchase, lease, construct, or improve residential development and subdivision development.

Proposed law requires that bonds be authorized by resolution of the district or subdistrict. Provides that the bonds shall be limited obligations of the district or subdistrict and the bonds shall be payable solely from the income derived from the disposition of the project or facility financed by the bonds or from the income and revenue derived from the disposition of any existing project or facility acquired, constructed, and improved under the provisions of proposed law. Provides alternatively that the bonds may be additionally secured by a security device covering all or part of the project from which the revenues so pledged may be derived. Provides that any refunding bonds may be payable from any such source or from the investment of any proceeds of the refunding bonds and shall not constitute an indebtedness or pledge of the general credit of the district or subdistrict within the meaning of any limitation of indebtedness established by present law and shall contain a recital to that effect. Provides that matters of form, denomination, interest, maturity, execution, and redemption of bonds shall be as provided in the resolution authorizing the issuance thereof.

Proposed law prohibits the issuance of bonds or other evidences of indebtedness without the approval of the State Bond Commission.

Proposed law requires that bonds be issued, sold, and delivered in accordance with the terms and provisions of a resolution adopted by the board. Requires and provides for publication of such resolution. Establishes a prescriptive period of 30 days from such publication on any action to contest the bonds and the security therefor.

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

Proposed law provides that no obligation of the district shall be an obligation of the city of Morgan City. Further provides that the board shall be the appropriate governing body for all purposes provided in the La. Enterprise Zone Act within the area comprised of property owned and formerly owned by the district, and shall have the power to perform all acts specified by applicable laws and regulations to achieve such purpose.

(Adds R.S. 33:2740.32)

#### Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Municipal, Parochial and Cultural Affairs to the original bill.

1. Limits the governing board's power with respect to acquisition of property to acquisition by gift, grant, purchase, or lease.

#### House Floor Amendments to the engrossed bill.

1. Technical amendments only.