

2018 Regular Session

SENATE BILL NO. 426

BY SENATOR LAFLEUR

BONDS. Provides relative to the Consolidated Local Government Public Finance Act. (See Act)

1 AN ACT

2 To enact Subparts A, B, and C of Part II of Chapter 4 of Subtitle II of Title 39 of the
3 Louisiana Revised Statutes of 1950, to be comprised of R.S. 39:501 through 517, 521
4 through 531, and 541, and to repeal R.S. 17:98, R.S. 39:563 through 578, 611
5 through 618, and Subpart C, comprised of R.S. 39:661 through 672, Subpart D,
6 comprised of R.S. 39:681 through 684, Subpart E, comprised of R.S. 39:691 through
7 697, Subpart F, comprised of R.S. 39:698.1 through 698.13, all as part of Part III of
8 Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, R.S.
9 39:741 through 742.2, 743 through 748, and Part VII, comprised of R.S. 39:821
10 through 842, Part IX, comprised of R.S. 39:911 through 914, Part X, comprised of
11 R.S. 39:931 through 934, Part XI, comprised of R.S. 39:971 through 974, all as part
12 of Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, R.S.
13 39:1011 through 1024, and Chapter 14-B, comprised of R.S. 39:1460.1 and 1460.2,
14 and Chapter 18, comprised of R.S. 39:1801 through 1811, all as part of Subtitle III
15 of Title 39 of the Louisiana Revised Statutes of 1950, relative to the Consolidated
16 Local Government Indebtedness Act; to consolidate and make uniform local
17 government laws relative to the issuance of certain bonds and other evidences of

1 indebtedness; to provide definitions; to provide for the statutory lien; to provide
 2 relative to the authorization, sale, execution, and registration of bonds; to provide
 3 relative to the rights of bondholders; to provide relative to the validity of bonds; to
 4 provide for the applicability of general bond laws; to provide for preemption; to
 5 provide for notice of default; to provide for the bonds to be exempt from taxation and
 6 to be legal investments; to provide for the negotiability and incontestability of the
 7 bonds; to provide for the application of proceeds; to provide for bond validation; to
 8 provide relative to lost, destroyed, or cancelled bonds; to provide relative to counsel
 9 fees; to provide relative to general obligation bonds; to provide relative to limited tax
 10 bonds and bonds payable from the general alimony tax; to provide relative to sales
 11 tax bonds; to provide relative to revenue bonds; to provide relative to limited revenue
 12 bonds; to provide relative to excess revenue bonds and certificates of indebtedness;
 13 to provide relative to bond anticipation notes; to provide relative to grant anticipation
 14 notes; to provide relative to assessment certificates; to provide relative to refunding
 15 bonds; to provide transitional provisions; to provide for an effective date; and to
 16 provide for related matters.

17 Be it enacted by the Legislature of Louisiana:

18 Section 1. Subparts A, B, and C of Part II of Chapter 4 of Subtitle II of Title 39 of
 19 the Louisiana Revised Statutes of 1950, comprised of R.S. 39:501 through 517, 521 through
 20 531, and 541, are hereby enacted to read as follows:

21 **PART II. CONSOLIDATED LOCAL**

22 **GOVERNMENT PUBLIC FINANCE ACT**

23 **SUBPART A. GENERAL PROVISIONS**

24 **§501. Designation**

25 **This part may be referred to as the "Consolidated Local Government**
 26 **Public Finance Act".**

27 **§502. Purposes, rules of construction**

28 **A. The purposes of this Part are to clarify, modernize, and make uniform**
 29 **the laws relating to the powers of parishes, municipalities, school boards, school**

1 districts, and other political subdivisions of the state to incur debt and to issue
2 bonds and other evidences of indebtedness.

3 B. This Part shall be liberally construed so as to give effect to its intended
4 purposes.

5 C. Except as provided in Subsection D of this Section, any parish,
6 municipality, school board, school district, or other political subdivision of the
7 state, acting through its governing authority, is authorized to employ the
8 provisions of this Part, including the laws referenced in this Part relating to the
9 issuance of bonds, as a complete and additional method for the issuance of
10 bonds.

11 D. This Part shall not apply to nor be utilized by the city of New Orleans
12 or its agencies, boards, authorities, and commissions, including the Sewerage
13 and Water Board of New Orleans, except as specifically provided herein.

14 E. Bonds issued under any provision of Subpart B of this Part shall be
15 entitled to the rights and benefits conferred generally by Subpart A of this Part.

16 F. The issuer, owner, or holder of any bond issued by any governmental
17 entity prior to July 1, 2018, shall be entitled to the rights and benefits conferred
18 by R.S. 39:504, R.S. 39:506, and R.S. 39:511, without any further action, or may
19 at its option utilize the provisions of prior law under which the bond was
20 originally issued.

21 §503. Definitions

22 As used in this Part, the following words, terms, and phrases shall have
23 the meanings ascribed to them in this Section, except where the context clearly
24 indicates a different meaning:

25 (1) "Bond" or "bonds" means any bonds, notes, warrants, certificates
26 of indebtedness, certificates of participation or other written contracts,
27 agreements, or instruments evidencing the obligation of a governmental entity
28 to repay borrowed money, regardless of the designation thereof.

29 (2) "Costs of issuance" means all items of expense related to the

1 authorization, sale and issuance of bonds, including but not limited to printing
2 costs, costs of preparation and reproduction of documents, filing and recording
3 fees, fees and charges of any fiduciary, legal fees and charges of any counsels
4 necessary in connection with the issuance of bonds, costs of preparation,
5 printing, and distribution of official statements or other disclosure documents,
6 fees and disbursements of consultants and professionals employed in connection
7 with the issuance of bonds, costs of credit ratings, fees and charges for
8 preparation, execution, transportation, and safekeeping of bonds, costs and
9 expenses of refunding, underwriters discount or placement fees, costs of any
10 credit enhancement, costs of any financial products agreement, and any other
11 cost, charge, or fee in connection with the issuance of bonds.

12 (3) "Credit enhancement" means any letter of credit, insurance policy,
13 surety bond, standby bond purchase agreement, reserve fund surety bond, or
14 similar facility as used for the purpose of enhancing the security or credit
15 quality of bonds.

16 (4) "Financial products agreement" means an interest rate swap, cap,
17 collar, floor, other hedging agreement, arrangement or security, however
18 denominated, entered into by a governmental entity not for investment purposes
19 but with respect to a series of bonds for the purpose of reducing or otherwise
20 managing the risk of interest rate changes, or effectively converting a
21 governmental entity's interest rate exposure, in whole or in part, from a fixed
22 rate exposure to a variable rate exposure, or from a variable rate exposure to
23 a fixed rate exposure.

24 (5) "General alimony tax" means the ad valorem tax authorized to be
25 levied:

26 (a) By a parish under Article VI, Section 26(A) of the Constitution of
27 Louisiana.

28 (b) By a municipality under Article VI, Section 27(A) of the Constitution
29 of Louisiana.

1 (c) By a school board under Article VIII, Section 13(C)(First) or Section
2 13(C)(Second) of the Constitution of Louisiana.

3 (6) "Governing authority" means the elected or appointed body that
4 exercises the legislative functions of a parish, municipality, school board, school
5 district, or other political subdivision, including:

6 (a) A sheriff in the case of a law enforcement district.

7 (b) An assessor in the case of an assessment district.

8 (c) A district attorney in the case of a judicial enforcement district.

9 (7) "Governmental entity" means any parish, municipality, school board,
10 school district, or other political subdivision of the state, other than the city of
11 New Orleans and its agencies, boards, authorities, and commissions, and other
12 than the Sewerage and Water Board of New Orleans. However, any other
13 discrete political subdivision coterminous with or wholly within the city of New
14 Orleans created by the Constitution of Louisiana, the legislature, or the Home
15 Rule Charter of the city of New Orleans or by the New Orleans City Council,
16 shall be a governmental entity within the meaning of this Part and may utilize
17 the authority provided in this Part through its governing authority.

18 (8) "State" means the state of Louisiana.

19 (9) "Total assessed value" means the assessed valuation of all property,
20 including both homestead exempt property, which shall be included on the
21 assessment roll for the purposes of total assessed value, and nonexempt
22 property as shown on the most recent assessment of the parish in which the
23 governmental entity is located.

24 **§504. Statutory lien**

25 A. It is the intention of the legislature that bonds issued by a
26 governmental entity under this Part, or under any other statutory authority
27 referenced herein, shall be secured debt entitled to the highest possible
28 protection and priority afforded by the bankruptcy laws of the United States
29 and this state. Therefore, the owner or owners of any such bonds are hereby

1 granted and shall have a statutory lien on and a security interest in such taxes,
2 income, revenues, net revenues, monies, payments, receipts, agreements, or
3 contract rights as are pledged to the payment of such bonds, to the fullest extent
4 and in the manner stated in this Part and in the proceedings authorizing such
5 bonds, and any pledge or grant of a lien or security interest in such taxes,
6 income, revenues, net revenues made by a governmental entity in connection
7 with the issuance of bonds shall be valid, binding, and perfected from the time
8 when the pledge or grant of lien or security interest is made. The taxes, income,
9 revenues, or net revenues shall immediately be subject to the lien of such pledge
10 and security interest without any physical delivery therefor or further act and
11 the lien of such pledge and security interest shall be first priority and valid and
12 binding as against all parties having claims of any kind in tort, contract,
13 bankruptcy, or otherwise against the governmental entity, whether or not such
14 parties have notice thereof. The owner or owners of bonds shall be secured
15 creditors with respect to such taxes, income, revenues, or net revenues, as the
16 case may be.

17 B. Any bond issued under this Part or any other statutory authority
18 referenced herein may contain a recital that refers to the statutory lien created
19 by this Section and describes the taxes, income, revenues, or net revenues to
20 which such statutory lien applies; however the failure to include the aforesaid
21 recital shall not affect the validity or efficacy of the statutory lien granted by
22 this Section and by the proceeds authorizing such bonds.

23 C. No notice, filing, or other proceedings under Chapter 9 of the
24 Louisiana Commercial Laws, R.S. 10:9-101 et seq., or any other provision of law
25 for the perfection or priority of such pledge and security interest shall be
26 necessary to perfect the statutory lien granted by this Section and by the
27 proceedings authorizing such bonds.

28 D. The statutory lien shall also apply to and secure any administrative
29 fees owed to the Clean Water State Revolving Fund or the Drinking Water

1 Revolving Loan Fund, in connection with bonds that evidence an obligation to
2 repay a loan from one of said revolving funds.

3 §505. Authorization, sale, execution, and registration of bonds

4 A. Each governing authority shall have authority to adopt all
5 proceedings necessary for the authorization, sale, and delivery of bonds,
6 including the right to enter into all contractual arrangements as may be
7 necessary to effectuate the purpose for which the bonds are being issued upon
8 terms determined by the governing authority. Bonds issued under this Part may
9 be issued by either resolution or ordinance, unless the use of a resolution or the
10 use of an ordinance is specifically required by law or home rule charter.

11 B. Bonds issued under this Part may be sold at a public or private sale
12 upon such terms, in the manner and by following such procedures as may be
13 determined by the governing authority of the governmental entity. No bond
14 issued under this Part shall be required to be registered with the secretary of
15 state or any other office or official.

16 C. Bonds issued under this Part may be secured additionally by credit
17 enhancement, or be entitled to the benefits of a financial products agreement,
18 the cost of which, upon a finding of benefit therefrom by the governing
19 authority, may be paid from the proceeds of the bonds or other lawfully
20 available funds. Bonds may also be secured by a trust agreement or trust
21 indenture by and between the governmental entity and one or more corporate
22 trustees.

23 D. In addition to the foregoing, the proceedings authorizing the issuance
24 of bonds may provide that such bonds will be of such series, bear such date or
25 dates, mature at such time or times, bear interest at such rate or rates payable
26 at such times, be in such denominations, be in such form, carry such
27 registration and exchangeability privileges, be payable in such medium and at
28 such place or places within or without the state, be subject to such terms of
29 prepayment or redemption, be entitled to such priorities on the pledged taxes,

1 revenues, or other source of security, as such proceedings may provide. Bonds
2 shall be executed in the name of the governmental entity by the manual or
3 facsimile signatures of such official or officials of the governmental entity
4 designated by the governing authority in said proceedings. At least one
5 signature on each bond shall be a manual signature, which manual signature
6 may be an authenticating signature by a designated bank or other financial
7 institution or person, and facsimile signatures may be used in the manner
8 provided by law. The seal, or a facsimile thereof, of the governmental entity
9 may, but is not required to be affixed, imprinted, engraved, or otherwise
10 reproduced upon each bond. The delivery of any bonds so executed at any time
11 thereafter shall be valid, although before the date of delivery, any person or
12 persons signing the bonds shall cease to hold office.

13 §506. Rights of bondholders

14 A. Any owner of bonds issued under this Part may by suit, action,
15 mandamus, or other proceedings, protect and enforce the statutory lien
16 provided by this Part as well as the security provided for such bonds or the
17 repayment thereof by the proceedings authorizing such bonds, and may by suit,
18 action, mandamus, or other proceedings enforce and compel performance of all
19 of the duties required to be performed by the governing authority of the issuer
20 of such bonds or as may be provided for in the proceedings authorizing the
21 issuance of such bonds.

22 B. No member of the governing authority or any officer or employee of
23 the governmental entity that has issued bonds, or any person executing such
24 bonds shall be personally liable on such bonds.

25 C. The governing authority may in the proceedings authorizing bonds
26 provide for the respective priorities of its separate series of bonds, and may
27 provide for the issuance of additional parity bonds in the future pursuant to
28 such procedure or restrictions as may be specified in such proceedings. In the
29 absence of such provision, if more than one series of bonds, other than general

1 obligation bonds, shall be issued hereunder payable from the same taxes or
2 other revenues, then the priority of lien on such revenues shall depend on the
3 time of the delivery of such series of bonds, each series enjoying a lien prior and
4 superior to that enjoyed by any series of bonds subsequently delivered, except
5 that as to any series of bonds which may be authorized as a unit but delivered
6 from time to time in tranches or separate series, the governing authority may
7 in the proceedings authorizing the issuance of such bonds provide that all of the
8 bonds of such series or issue shall be coequal as to lien regardless of the time of
9 delivery.

10 D. Proceedings authorizing the issuance of bonds may contain such
11 covenants with the future owner or owners of the bonds as to the taxes or
12 revenues that secure such bonds, the disposition of such taxes or revenues, the
13 issuance of future bonds, and such other pertinent matters as the governing
14 authority may desire to assure the marketability of such bonds, provided such
15 covenants are not inconsistent with the provisions of this Part.

16 E. Any proceedings authorizing the issuance of bonds may contain such
17 provisions to assure the enforcement, collection, and proper application of the
18 taxes or revenues pledged as security for the bonds as the governing authority
19 may think proper, where not inconsistent with the provisions of this Part. When
20 any bonds shall have been issued, this Part, the proceedings of the governing
21 authority relating to the pledged taxes or revenues, and the obligation of the
22 governing authority to continue to collect and allocate such pledged taxes or
23 revenues and to apply such pledged taxes or revenues in accordance with the
24 provisions of said proceedings, shall be irrevocable until such bonds have been
25 paid in full as to principal and interest, and shall not be subject to amendment
26 in any manner which would impair the rights of the owners from time to time
27 of such bonds or which would in any way jeopardize the prompt payment of
28 principal thereof or interest thereon.

29 §507. Validity of bonds; recital of regularity

1 Before bonds are issued under this Part, the governing authority shall
2 investigate and determine the regularity of the proceedings. The proceedings
3 authorizing the bonds may direct that the bonds contain the following recital:

4 "It is certified that this indebtedness is authorized by and is
5 issued in conformity with the requirements of the Constitution
6 and statutes of Louisiana."

7 Such recital shall be deemed to be an authorized declaration of the
8 governing authority and to import that there is constitutional and statutory
9 authority for issuing the bonds and imposing the pledged tax or providing for
10 the collection of the pledged revenues; that all the proceedings therefor are
11 regular; that all acts, conditions, and things required to exist, happen and be
12 performed precedent to and in the issuance of the bonds and imposition of any
13 pledged tax or providing for the collection of the pledged revenues have existed,
14 have happened and have been performed in due time, form, and manner as
15 required by law; that the amount of the bonds, together with all other
16 indebtedness of the governmental entity does not exceed any limit or limits
17 prescribed by the constitution or statutes of Louisiana; and that the required
18 notices have been duly and regularly given in the manner required by law. If
19 any bonds are issued containing the above recital, the same shall be construed
20 according to the import herein declared, and it shall be conclusively presumed
21 that the recital is true, and neither the governing authority nor any taxpayer
22 shall be permitted to question the validity or regularity of the bonds,
23 obligations, or tax in any court or in any action or proceeding.

24 **§508. Applicability of general bond laws**

25 Bonds issued under this Part shall be further subject to Section 244 of
26 Part XI of Chapter 4, Chapters 13, 13-A, and 14 of Subtitle III all of this Title
27 39 of the Louisiana Revised Statutes of 1950, provided that in the event of any
28 conflict between this Part and the provisions of said Section 244, Chapters 13,
29 13-A, or 14, then the provisions of this Part shall apply to any bonds issued

1 under this Part.

2 §509. Peremption

3 Every ordinance or resolution authorizing the issuance of bonds under
4 this Part shall be published at least once in the official journal of the
5 governmental entity issuing the bonds, or in a newspaper having general
6 circulation therein. Exhibits to any such ordinance or resolution need not be
7 published if the exhibits are enumerated in the publication and it is stated in the
8 publication that such exhibits are available for public inspection at the office of
9 the governing authority during regular business hours. For thirty days after the
10 date of publication, any person in interest may contest the legality of the
11 ordinance or resolution and of any provision therein made for the security and
12 payment of the bonds. After that time, no one shall have any cause of action to
13 test the regularity, formality, legality, or effectiveness of the ordinance or
14 resolution, and provisions thereof for any cause whatever. Thereafter, it shall
15 be conclusively presumed that every legal requirement for the issuance of the
16 bonds, including all things pertaining to the election, if any, at which the bonds
17 were authorized, has been complied with. No court shall have authority to
18 inquire into any of these matters after the thirty days.

19 §510. Notice of default

20 The chief executive officer or the chief financial officer of any
21 governmental entity that has issued bonds shall notify the State Bond
22 Commission in writing whenever any required deposit to any debt service
23 sinking fund in connection with such bonds has not been made timely or
24 whenever the principal, interest, premium, or any other payment due on such
25 bonds has not been made timely.

26 §511. Exemption from taxation; legal investments

27 A. All bonds issued under this Part and the interest or other income
28 thereon or with respect thereto shall be exempt from all income tax and other
29 taxation in Louisiana.

1 B. All bonds issued under this Part shall be legal and authorized
2 investments for banks, savings banks, insurance companies, homestead and
3 building loan associations, trustees, and other fiduciaries and may be used for
4 deposit with any officer, board, or political subdivision, in any case where, by
5 present or future laws, deposit or security is required.

6 §512. Bonds negotiable and incontestable

7 Bonds issued under this Part shall have all the qualities of negotiable
8 paper and shall not be invalid for any irregularity or defect in the proceedings
9 for their issuance and sale, and shall be incontestable in the hands of bona fide
10 purchasers or owners for value.

11 §513. Application of proceeds

12 A. The proceeds of bonds issued under this Part shall be used exclusively
13 for the purpose or purposes for which the bonds are authorized to be issued,
14 including but not limited to the payment of costs of issuance, the cost of funding
15 any required debt service reserves, the cost of credit enhancement or the cost
16 of a financial products agreement. The purchaser of the bonds shall not be
17 obliged to see to the application thereof. In the event that the governing
18 authority of the governmental entity that issued bonds determines that all or
19 part of the proceeds of the sale of such bonds are no longer needed for the
20 purpose for which the bonds were originally issued, the governing authority
21 may rededicate such unexpended proceeds for a different purpose, provided
22 that such different purpose is one for which the bonds could have been
23 originally issued, or it may utilize the unexpended proceeds to prepay or redeem
24 such bonds.

25 B. Any premium received by a governmental entity in connection with
26 the sale of bonds shall be expended for:

27 (1) Any purpose for which the bonds are being issued and deposited in
28 the same account into which the bond proceeds are deposited for such purpose.

29 (2) The payment of the principal or the interest on the bonds and shall

1 be deposited in a sinking fund or debt service fund established for such purpose.

2 C. Any accrued interest received by a governmental entity in connection
3 with the sale of bonds shall be applied to the payment of principal or interest on
4 such bonds, and deposited in a sinking fund or debt service fund established for
5 such purpose.

6 §514. Bond validation

7 Bonds issued under this Part may be validated in accordance with Part
8 XVI of Chapter 32 of Title 13 of the Louisiana Revised Statutes of 1950, or any
9 successor laws relating to suits to determine validity of governmental bonds.

10 §515. Lost, destroyed, or cancelled bonds

11 A. Whenever any bond is lost, destroyed, or improperly cancelled, the
12 issuing governmental entity may, by resolution of its governing body, authorize
13 the issuance of new bonds to replace them, upon proof of such loss, destruction,
14 or cancellation satisfactory to the governmental entity and upon the giving to
15 the governmental entity an indemnity bond in such amount as the governmental
16 entity thereof may require. The new bond shall in all respects be identical with
17 those lost, destroyed, or cancelled except that it shall bear on its face the
18 following additional clause:

19 "This bond is issued to replace a lost, cancelled, or destroyed
20 bond under the authority of R.S. 39:525."

21 B. Such new bond shall be signed by the same officers who signed the
22 original bond, provided, however, that in the event the officers who signed the
23 original bonds are no longer in office, then the new bond shall be signed by the
24 officers then in office.

25 C. If the original bond was registered in the office of the secretary of
26 state, and bore a certificate evidencing such registration signed by the secretary
27 of state, then the new bond shall not be required to be registered in the office of
28 the secretary of state.

29 D. The obligation of the governmental entity upon the new bond shall be

1 identical with its obligation upon the original bond, and the rights of the owner,
2 including any statutory lien granted by this Part or the proceedings authorizing
3 the original bond, shall be the same as those conferred by the original bond.

4 §516. Employment of counsel; fees

5 Employment of counsel by a governmental entity in conjunction with the
6 issuance of bonds shall not be subject to approval by the attorney general
7 provided that said fees and compensation of counsel do not exceed the attorney
8 general fee schedule or other statutory limitations, and such employment and
9 payment of fees and compensation shall be deemed lawful and approved.

10 §517. No other statutes applicable

11 This Part shall be a complete and additional method for the issuance and
12 sale of bonds by any governmental entity, and this Part shall constitute full
13 authority for the issuance and sale of the bonds authorized herein. No
14 ordinance, resolution, filing, registration, approval, publication, election, or
15 right of referendum in respect to the issuance of any bonds hereunder or for the
16 perfection of the statutory lien provided herein shall be necessary, except such
17 as may be required by this Part. The recordation of any resolution, ordinance,
18 or other proceeding relating to the issuance of bonds, except for any mortgage
19 securing bonds, shall not be required by this Part. Any publication prescribed
20 hereby may be made in the official journal or in any newspaper of general
21 circulation within the governmental entity.

22 SUBPART B. AUTHORITY FOR SPECIFIC BONDS

23 §521. General obligation bonds

24 A. Any governmental entity may incur debt and issue general obligation
25 bonds under the authority of Article VI, Section 33 of the Constitution of
26 Louisiana and this Part, for the purpose of financing any capital expenditures
27 related to the lawful purposes of the governmental entity, title to which shall be
28 in the public. Such bonds may be issued only after having been approved by a
29 majority of the electors who vote in an election held in accordance with the

1 Louisiana Election Code for the purpose of approving the issuance of the bonds.

2 The proposition submitted to the electors shall state the maximum principal
3 amount of bonds to be issued, the maximum term, which shall not exceed forty
4 years, the maximum interest rate, the purposes for which the bonds are
5 proposed to be issued, and the estimated millage rate to be levied for the
6 repayment of such bonds in the first year of issue.

7 B. After the results of the election have been promulgated in accordance
8 with the Louisiana Election Code, the governing authority of the governmental
9 entity may proceed to issue the bonds within the parameters approved by the
10 electors.

11 C.(1) The principal amount of bonds to be issued under this Section,
12 together with the principal amount of outstanding general obligation bonds of
13 the governmental entity, shall not exceed:

14 (a) For school boards and school districts thirty-five percent.

15 (b) For municipalities and parishes ten percent for each authorized
16 purpose or thirty-five percent in the aggregate for all purposes.

17 (c) For all other governmental entities twenty percent in the aggregate
18 for all purposes, calculated on the total assessed value of the governmental
19 entity, as shown on the most recent assessment prior to the delivery of the
20 bonds, regardless of the date on which the election was held.

21 (2) In the event that the total assessed value of the governmental entity
22 does not appear on the most recent assessment prior to the delivery of the
23 bonds, or if the boundaries of the government entity have been enlarged or
24 significant property added to the total assessed value since the most recent
25 assessment, then the parish or municipal assessor for such governmental entity
26 shall certify the total assessed value of the governmental entity as of the date of
27 delivery of the bonds and such certification shall be used for calculating the
28 debt limits set forth in this Section.

29 (3) Notwithstanding the foregoing, any governmental entity with a

1 general obligation debt limit under any other provision of law that is in excess
2 of the debt limit set forth in Paragraph (1) of this Subsection may issue general
3 obligation bonds under this Part using such higher debt limit.

4 D.(1) The full faith and credit of the government entity is hereby pledged
5 to the payment of general obligation bonds issued by such governmental entity
6 under this Part. The governing authority of any governmental entity issuing
7 general obligation bonds under this Part shall impose and collect annually, for
8 as long as any of its general obligation bonds are outstanding and unpaid, in
9 excess of all other taxes and without limit as to rate or amount, a tax on all
10 property subject to taxation by the governmental entity sufficient to pay the
11 interest and the principal falling due each year, or such amount as may be
12 required for any sinking fund necessary to retire said bonds at maturity. The
13 tax shall be levied and collected, for as long as any of its general obligation
14 bonds are outstanding and unpaid by the same officers, at the same time, and
15 in the same manner as the general taxes of the governmental entity and, except
16 as provided in Paragraph (5) of this Subsection, may be expended solely for
17 payment of debt service on such bonds and administrative expenses relating
18 thereto, such as trustee or paying agent fees and other costs directly related to
19 the administration of such bonds. Should the governmental entity neglect or
20 fail for any reason to impose or collect sufficient taxes for the payment of the
21 principal or interest of any bonds issued hereunder, any person in interest may
22 enforce imposition and collection thereof in any court having jurisdiction of the
23 subject matter, and any suit, action, or proceeding brought by such person in
24 interest shall be a preferred cause, and shall be heard and disposed of without
25 delay.

26 (2) For the purpose of reducing the overall tax burden on taxpayers and
27 easing the administrative burden of accounting for separate tax levies, any
28 governmental entity with more than one outstanding issue or series of general
29 obligation bonds shall levy a single unified tax for the payment of all of such

1 issues or series.

2 (3) As additional security for the owners of general obligation bonds
3 issued by any special service district that has been created by a parish or
4 municipal governing authority pursuant to a general state law, if there is any
5 default in the imposition and collection of any tax required for the payment of
6 the principal or interest of any general obligation bonds issued by such special
7 service district, then the governing authority of the municipality or parish that
8 created the special service district shall impose and the taxing officers of the
9 parish in which the special service district is situated shall collect at the same
10 time and in the same manner as taxes for parish purposes are imposed and
11 collected, such tax on the taxable property of the special service district as shall
12 be necessary for the payment of the principal and interest on the general
13 obligation bonds of such special service district.

14 (4) All the articles and provisions of the Constitution of Louisiana, and
15 all the laws in force or that may be hereafter enacted regulating and relating to
16 the collection of taxes and tax sales shall also apply to and regulate the collection
17 of the special taxes imposed under the provisions of this Part, through the
18 officer whose duty it is to collect the taxes and monies due the subdivision
19 imposing the special taxes.

20 (5) As additional security for the owners of all general obligation bonds
21 issued by any governmental entity, in the event of any default in the imposition
22 and collection of the taxes required for the payment of such bonds the taxing
23 officers of the state are further authorized and directed to impose and collect
24 the taxes, and shall certify the same, and cause the same to be imposed and
25 collected at the same time and in the same manner as the taxes for state
26 purposes are imposed and collected in the subdivision incurring the debt.

27 (6) Upon the payment in full of general obligation bonds, if any excess
28 monies remain in the sinking fund or debt service fund for such bonds, such
29 monies shall be retained therein for the payment of any other outstanding

1 general obligation bonds of the governmental entity, or if the governmental
2 entity has no other outstanding general obligation bonds then such monies may
3 be expended for capital projects similar to those for which the bonds were
4 originally issued.

5 §522. Limited tax bonds

6 A. Any governmental entity may anticipate the revenues to be realized
7 from special taxes that are authorized to be levied pursuant to provisions of the
8 constitution and laws of Louisiana by borrowing money to be used only for the
9 purpose for which such a tax may be levied. Such a borrowing shall be
10 evidenced by limited tax bonds of the governmental entity, said limited tax
11 bonds to be payable solely from and secured by an irrevocable pledge and
12 dedication of the revenues of such tax.

13 B. The principal and interest due in any year on limited tax bonds issued
14 under this Section shall not exceed seventy-five percent of the revenues
15 estimated to be realized from the levy of the tax so pledged for the calendar year
16 in which such limited tax bonds are issued, regardless of the date on which the
17 revenues are anticipated to be received.

18 C. The principal of limited tax bonds issued under this Section shall be
19 made due and payable annually not later than June first of each future year in
20 which principal falls due.

21 §523. Sales tax bonds

22 A. A governmental entity that is authorized to levy and collect a sales tax
23 may fund sales tax revenues into bonds and issue said bonds from time to time
24 for the purpose or purposes for which such tax may be levied, said bonds to be
25 payable from and secured by an irrevocable pledge and dedication of sales tax
26 revenues subject only to the prior payment of the costs and expenses of
27 collection and administration of such tax.

28 B. Any governmental entity, including the city of New Orleans,
29 previously authorized to issue sales tax bonds under the provisions of Subpart

1 F of Part III of Chapter 4 of Title 39 of the Louisiana Revised Statutes of 1950,
2 is specifically authorized to issue sales tax bonds pursuant to this Section in the
3 alternative, without the necessity of any further authorization or voter
4 approval.

5 C. The maturities of sales tax bonds shall be so arranged that the total
6 amount of principal and interest falling due in any fiscal year of the
7 governmental entity, together with principal and interest falling due in such
8 fiscal year on all bonds payable from the same sales tax theretofore issued and
9 then outstanding, shall never exceed seventy-five percent of the amount of sales
10 tax revenues estimated by the governing authority to be received by it in the
11 fiscal year in which the bonds are issued. The final maturity of sales tax bonds
12 shall be no later than twenty-five years from the date of issuance or the ninety
13 days following the expiration date of the pledged sales tax, whichever occurs
14 first.

15 D. Bonds issued under this Section shall constitute a borrowing solely
16 upon the credit of the sales tax revenues received or to be received by the
17 governmental entity and shall not constitute an indebtedness or pledge of the
18 general credit of the governmental entity within the meaning of any
19 constitutional or statutory provision relating to the incurring of indebtedness,
20 and the bonds shall contain a recital to that effect.

21 E. As specified by Article VI, Section 29 of the Constitution of Louisiana,
22 when any bonds shall have been issued under this Section, neither the
23 legislature, the governing authority, nor any other authority shall discontinue
24 or decrease the sales tax or permit to be discontinued or decreased the sales tax
25 in anticipation of the collection of which such bonds have been issued, or in any
26 way make any change in the allocation and dedication of the proceeds of such
27 sales tax which would diminish the amount of the sales tax revenues to be
28 received by the governmental entity until all of such bonds shall have been
29 retired as to principal and interest, and there is hereby vested in the owners and

1 holders from time to time of such bonds a contractual right under the
2 provisions of this Part.

3 §524. Revenue bonds

4 A. Any governmental entity, except school boards and school districts,
5 may issue revenue bonds to construct, acquire, extend, or improve any system
6 or work of public improvement. Such bonds may be secured by a mortgage on
7 the lands, buildings, machinery, and equipment so improved as well as by the
8 pledge of the income and revenues derived or to be derived from the system or
9 work of public improvement owned, leased, or operated by such governmental
10 entity, sufficient in amount to pay the principal of and the interest on such
11 bonds as they severally mature, and such bonds and other debt obligations shall
12 not be a charge upon the other income and revenues of the governmental entity
13 as prohibited under the provisions of Article VI, Section 37 of the Constitution
14 of Louisiana. Any project or undertaking by any such governmental entity from
15 which revenue is or will be derived, whether by lease, rents, fees, charges, or
16 otherwise, shall be considered a revenue-producing work of public
17 improvement within the meaning of this Section.

18 B. Revenue bonds issued under this Section shall mature at such time or
19 times not exceeding thirty years from their respective dates, except that revenue
20 bonds sold exclusively to any governmental agency of the United States may
21 mature at such time or times not exceeding forty years from their respective
22 dates.

23 C. Revenue bonds issued under this Section shall be payable solely from
24 the revenues derived from the system or work of public improvement,
25 constructed, acquired, extended, or improved with the proceeds thereof,
26 sufficient in amount at all times to meet the required debt service, subject only
27 to prior payment of reasonable and necessary expenses of operating and
28 maintaining such system or work of public improvement. In connection with the
29 construction, acquisition, extension, or improvement of any such

1 revenue-producing system or work of public improvement, any governmental
2 entity is authorized to accept, receive, receipt for, disburse, and expend federal
3 and state monies and other monies, public or private, whether available by
4 grant or loan, or both, for such purposes. Without creating a charge on such
5 revenues, the governmental entity may, in the proceedings authorizing the
6 issuance of revenue bonds under this Section, provide for the use of other taxes
7 or revenues either for the payment of the required debt service on such revenue
8 bonds, or for the payment of reasonable and necessary expenses of operating
9 and maintaining such system or work of public improvement.

10 D. The system or work of public improvement shall remain subject to
11 such pledge of revenues or mortgage as may have been authorized by the
12 governing authority under the authority of this Part until the payment in full
13 of the principal and interest on said bonds, and the mortgage or pledge may be
14 foreclosed by seizure and sale of the encumbered property in a manner
15 provided by law for the foreclosure of conventional mortgages including the
16 right to executory process.

17 E. When any sale of the mortgaged property is held under the provisions
18 of this Section, the purchaser at the sale, and his successor or assigns, shall be
19 vested with any necessary permit and franchise to maintain and operate the
20 property purchased, and to continue to supply to the public the commodities,
21 products, or services previously supplied by the work of public improvement,
22 with the same powers and privileges previously enjoyed by the governmental
23 entity in the operation of said work of public improvement. This franchise shall
24 continue for such period, not exceeding thirty years, as may be fixed by the
25 governing authority in the resolution authorizing the bonds and shall be subject
26 to all statutory limitations pertaining to the granting of permits or franchises.

27 F. Any proceedings authorizing the issuance of bonds under this Section
28 may provide for creation of a sinking fund into which shall be paid from the
29 pledged revenues of the system or work of public improvement, subject only to

1 prior payment of the reasonable and necessary expenses of operating and
2 maintaining the system or work of public improvement, sums sufficient to pay
3 principal of and interest on such bonds and to create such reserve for
4 contingencies as may be provided in such proceedings. The monies in the
5 sinking fund may be applied to the payment of interest on and principal of the
6 bonds or to the purchase or retirement of the bonds prior to maturity in such
7 manner as may be provided in the proceedings.

8 G. The proceedings authorizing the issuance of bonds under this Section
9 may contain such covenants with the future owners of the bonds as to the
10 management and operation of the system or work of public improvement, the
11 imposition and collection of fees and charges for the products, commodities, or
12 services furnished thereby, the disposition of fees and revenues, the issuance of
13 future bonds, and the creation of future liens and encumbrances against the
14 system or work of public improvement and the revenues thereof, the carrying
15 of insurance on the properties constituting such work of system or work of
16 public improvement, the disposition of the proceeds of the insurance, and other
17 pertinent matters, as may be deemed necessary by the governing authority to
18 assure the marketability of the bonds, provided these covenants are not
19 inconsistent with the provisions of this Section.

20 H. When any governmental entity has issued revenue bonds and pledged
21 the revenues of any system or work of public improvement in whole or in part
22 for payment thereof, it shall impose and collect fees and charges for the
23 products, commodities, and services furnished by such system or work of public
24 improvement, including those furnished to the subdivision itself and its various
25 agencies and departments, in such amounts and at rates as shall be sufficient at
26 all times to pay the expenses of operating and maintaining the system or work
27 of public improvement; provide a sinking fund sufficient to assure the prompt
28 payment of principal and interest on the bonds as each falls due; provide such
29 a reasonable fund for contingencies as may be required by the proceedings

1 authorizing the bonds or other debt obligation and provide an adequate
2 depreciation fund for those repairs, extensions, and improvements to the system
3 or work of public improvement as may be necessary to assure adequate and
4 efficient service to the public. No board or commission other than the governing
5 authority of the governmental entity shall have authority to fix or supervise
6 making of such fees and charges.

7 I. Notwithstanding the foregoing, a governing authority, in its discretion,
8 may authorize bonds payable from the revenues to be derived from two or more
9 systems or works of public improvement owned by the governmental entity, and
10 bonds may be so issued for the purpose of constructing, acquiring, extending,
11 or improving any one or more of those systems or works of public
12 improvements. Any bonds so issued shall be secured in the manner provided in
13 this Part on the property of such systems or works of public improvement in the
14 same manner as provided in those instances where bonds are issued payable
15 from the revenues of one system or work of public improvement only.

16 J. Revenue bonds shall not be issued under this Section until the
17 governing authority of the governmental entity has adopted an appropriate
18 resolution giving notice of its intention to issue such revenue bonds, including
19 a general description thereof and the security and source of repayment therefor,
20 and notice of this intention has been published in four consecutive weekly issues
21 of a newspaper of general circulation in the parish where the governmental
22 entity is located, setting forth a date and time when the governing authority will
23 meet in open and public session to hear any objections to the proposed issuance
24 of such bonds. If at such hearing a petition duly signed by electors of the
25 governmental entity in a number not less than five percent of the number of
26 electors voting at the last election held in said governmental entity object to the
27 issuance of the proposed bonds, then such bonds shall not be issued until
28 approved by a vote of a majority of the qualified electors of the governmental
29 entity who vote at a special election held for such purpose in the manner

1 provided by Chapter 6-A of Title 18 of the Louisiana Revised Statutes of 1950.
2 Any such petition shall be accompanied by a certificate of the parish registrar
3 of voters certifying that the signers of the petition are registered electors of the
4 governmental entity and the number of signers amount to not less than five
5 percent of the registered electors that voted in the last election held in said
6 governmental entity.

7 §525. Limited revenue bonds

8 A. Any governmental entity that is authorized to levy a parcel fee or
9 service charge may anticipate the revenues to be realized from such parcel fee
10 or service charge voted pursuant to provisions of the constitution and laws of
11 Louisiana by borrowing money to be used only for the purpose for which such
12 parcel fee or service charge was voted; however, a governmental entity may not
13 anticipate such revenues for a period that exceeds the remaining number of
14 years for which the parcel fee or service charge, as the case may be, is
15 authorized to be levied. Such a borrowing shall be evidenced by limited revenue
16 bonds of the governmental entity, said limited revenue bonds shall be payable
17 solely from and secured by an irrevocable pledge and dedication of the revenues
18 of such parcel fee or service charge, as the case may be.

19 B. The principal and interest due in any fiscal year of the governmental
20 entity on such limited revenue bonds shall not exceed seventy-five percent of the
21 revenues estimated to be realized from the levy of such parcel fee or service
22 charge, as the case may be, for the fiscal year in which such limited revenue
23 bonds are issued. In applying the aforesaid test, all revenues estimated to be
24 realized from the levy of the parcel fee or service charge for the fiscal year in
25 which the bonds are issued, regardless of the date on which the revenues are
26 anticipated to be received, will be included in the estimated revenues for such
27 fiscal year.

28 C. The principal of the limited revenue bonds shall be made due and
29 payable annually not later than March first of each future year in which

1 principal falls due; provided that such limited revenue bonds shall mature not
 2 later than June first in the year following the last year in which the parcel fee
 3 or service charge, as the case may be, securing the borrowing is authorized to
 4 be levied.

5 D. Limited revenue bonds issued under this Section are not revenue
 6 bonds within the meaning of Article VI, Section 37 of the Constitution of
 7 Louisiana.

8 §526. Excess revenue bonds and certificates of indebtedness

9 A. Any governmental entity may issue excess revenue bonds or
 10 certificates of indebtedness under this Section for the purpose of acquiring,
 11 constructing, extending, or improving any work of public improvement, or for
 12 acquiring movable vehicles or equipment, or for the payment of judgments,
 13 noncapital contractual obligations, or employee benefits.

14 B. Bonds or certificates of indebtedness issued under this Section shall
 15 be payable out of the revenues of subsequent years, after the payment from such
 16 revenues of:

17 (1) All charges required by law or regulation.

18 (2) All contractual obligations.

19 (3) All necessary and usual charges provided for by ordinance or
 20 resolution.

21 (4) All payments in respect of bonds for which a pledge or dedication of
 22 specified taxes or revenues has been provided by law or in proceedings
 23 authorizing such bonds, regardless of the date of issue of such bonds.

24 C. Bonds or certificates of indebtedness issued under this Section shall
 25 have a maximum term not to exceed ten years.

26 §527. Revenue anticipation notes

27 Any governmental entity, in order to pay its current expenses for any
 28 fiscal year, may issue revenue anticipation notes for the purpose of anticipating
 29 the revenues for such fiscal year. Such revenue anticipation notes shall mature

1 not later than three months after the end of the fiscal year of the governmental
2 entity. The amount so borrowed by any governmental entity shall not exceed the
3 estimated income of the governmental entity as shown by the budget adopted
4 prior to such borrowing, and the income collected as shown by the adopted
5 budget shall be dedicated and set aside to the payment of the revenue
6 anticipation notes as they mature.

7 §528. Bond anticipation notes

8 A. Any governmental entity may authorize the issuance of bond
9 anticipation notes in one or more series in anticipation of the issuance of bonds
10 which it has duly and lawfully authorized. The proceeds of the sale of such
11 notes, exclusive of accrued interest, shall be used for the purpose of paying
12 capitalized interest on such notes for renewing the principal amount of
13 previously issued bond anticipation notes, and for the purpose for which the
14 anticipated bonds were authorized.

15 B. Bond anticipation notes shall be payable in principal from the
16 proceeds of the sale of the duly authorized bonds, from the sale of additional
17 bond anticipation notes, from revenue sources from which the anticipated bonds
18 securities are payable when issued, or from other lawfully available funds.
19 Interest on bond anticipation notes may be capitalized and paid from the
20 proceeds of the issue, paid from the revenue source from which the anticipated
21 bonds are payable when issued, or paid from other lawfully available funds.

22 C. The total amount of bond anticipation notes issued and outstanding
23 at any one time shall not exceed the principal amount of authorized bonds in
24 anticipation of which the bond anticipation notes were issued.

25 §529. Grant anticipation notes

26 A. A governmental entity may issue a grant anticipation note or notes in
27 anticipation of and upon the security of specified accounts receivable from the
28 state or the federal government, including without limitation, grants, loans, or
29 a combination of both, for which the governing authority of the governmental

1 entity finds and determines that funds have been appropriated and committed
2 to the governmental entity.

3 B. Grant or loan funds from the state or federal government for any
4 construction and improvement for which the governmental entity is authorized
5 to expend moneys shall be pledged for the payment of the note or notes and the
6 interest thereon. The note or notes and the interest thereon shall be a first lien
7 upon and charge against such grant or loan funds. Any notes issued pursuant
8 to this Section, to the extent not paid from grant or loan funds of the
9 governmental entity pledged for the payment thereof, at the discretion of the
10 governing authority of the governmental entity, may be paid as to principal and
11 interest from any taxes, income, revenue, cash receipts, or other monies of the
12 governmental entity lawfully available therefor and in accordance with the
13 provisions provided therefor in the resolution or ordinance authorizing their
14 issuance.

15 C. The proceeds of grant anticipation notes may be used and expended
16 by the governmental entity solely for the purpose for which the grant or loan is
17 to be received or for the retirement of the notes, except that income from the
18 investment of such proceeds may be used to pay costs associated with the facility
19 or improvements being financed from such grant or loan.

20 D. No grant anticipation note shall be issued if the grant or loan to be
21 received is for the construction of a facility or work of public improvement
22 unless the grant or loan agreement is in existence at the time of issuance of the
23 grant anticipation note.

24 E. Grant anticipation notes issued under this Section shall be payable not
25 later than five years after the date of issue.

26 F. No grant anticipation note or notes shall be issued by a governmental
27 entity pursuant to this Section in an amount which, when added to the amount
28 of any other such type note or notes outstanding at the time and issued in
29 anticipation of the same grant or loan, shall exceed ninety-five percent of the

1 grant or loan funds committed and appropriated to the governmental entity by
2 the granting or loaning authorities and payable within a thirty-six month period
3 from the date of issuance of such note or notes then being issued.

4 §530. Assessment certificates

5 Governmental entities are authorized to issue bonds to finance works of
6 public improvement secured by local or special assessments imposed pursuant
7 to the provisions of Article VI, Section 36 of the Constitution of Louisiana. The
8 certificates shall be issued in accordance with the procedures set forth in
9 Subpart A or Subpart B of Part I of Chapter 7 of Title 33 of the Louisiana
10 Revised Statutes of 1950.

11 §531. Refunding bonds

12 A. In addition to any other authority therefor, any governmental entity
13 is authorized to issue refunding bonds for the purpose of refunding, readjusting,
14 restructuring, refinancing, extending, or unifying the whole or any part of its
15 outstanding bonds in an amount sufficient to provide the funds necessary to
16 effectuate the purpose for which the refunding bonds are being issued and to
17 pay all costs associated therewith. Refunding bonds may be issued as part of a
18 multi-purpose issue.

19 B. Notwithstanding any general obligation debt limit established by law,
20 general obligation refunding bonds may be issued to refund outstanding general
21 obligation bonds at the same or at a lower effective rate of interest in
22 accordance with Article VI, Section 33(A) of the Constitution of Louisiana
23 without the necessity of further voter approval, provided that the term of the
24 outstanding bonds refunded shall not be extended and the principal and interest
25 payments on the refunding bonds is less in each calendar year than the principal
26 and interest in such calendar year on the outstanding bonds being refunded.

27 C. Refunding bonds issued to refund any bonds other than general
28 obligation bonds may be secured in the same manner as the bonds being
29 refunded or may be secured in such other manner as may be prescribed by the

1 governing authority of the governmental entity. If refunding bonds issued under
2 this Subsection are proposed to be additionally secured by the full faith and
3 credit of the governmental entity then they must be authorized at an election
4 held by the governmental entity in accordance with the requirements of the
5 constitution and laws of Louisiana pertaining to elections for the issuance of
6 general obligation bonds.

7 D. The refunded bonds shall not be considered outstanding for the
8 purpose of debt limitation laws restricting the amount of bonds that may be
9 issued by any governmental entity.

10 SUBPART C. TRANSITIONAL PROVISIONS

11 §541. Transitional provisions

12 In order to provide for an orderly transition for governmental entities
13 that have previously authorized or issued indebtedness under prior bond laws,
14 the following provisions shall apply:

15 A. Capitalized terms used in this Section shall have the meanings
16 ascribed thereto by R.S. 39:503.

17 B. General obligation bonds previously authorized to be issued or
18 actually issued by a governmental entity under Subpart A of Part III of Chapter
19 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, shall be
20 issued or deemed to have been issued under the laws enacted by Subpart A of
21 this Part, and particularly R.S. 39:521.

22 C. Limited tax bonds previously authorized to be issued or actually
23 issued by a governmental entity under R.S. 17:98 or R.S. 39:742.2, and bonds
24 secured solely by the pledge of a general alimony tax issued under R.S. 39:1430
25 shall be issued or deemed to have been issued under the laws enacted by
26 Subpart A of this Part, and particularly R.S. 39:522.

27 D. Sales tax bonds previously authorized to be issued or actually issued
28 by a governmental entity under Subpart F of Part III of Chapter 4 of Subtitle
29 II of Title 39 of the Louisiana Revised Statutes of 1950 shall be issued or deemed

1 to have been issued under the laws enacted by Subpart A of this Part, and
2 particularly R.S. 39:523.

3 E. Revenue bonds previously authorized to be issued or actually issued
4 by a governmental entity under Part VII or Part XIII of Chapter 4 of Subtitle
5 II of Title 39 of the Louisiana Revised Statutes of 1950 shall be issued or deemed
6 to have been issued under the laws enacted by Subpart A of this Part, and
7 particularly R.S. 39:524.

8 F. Bonds previously authorized to be issued or actually issued by a
9 governmental entity under R.S. 39:1430 and secured solely by the pledge of a
10 parcel fee or service charge shall be issued or deemed to have been issued under
11 the laws enacted by Subpart A of this Part, and particularly R.S. 39:525.

12 G. Revenue anticipation notes authorized to be issued or actually issued
13 by a governmental entity under R.S. 39:741, et seq. shall be issued or deemed
14 to have been issued under the laws enacted by Subpart A of this Part, and
15 particularly R.S. 39:527.

16 H. Bond anticipation notes authorized to be issued or actually issued by
17 a governmental entity under Chapter 14-B of Subtitle III of Title 39 of the
18 Louisiana Revised Statutes of 1950 shall be issued or deemed to have been
19 issued under the laws enacted by Subpart A of this Part, and particularly R.S.
20 39:528.

21 I. Grant anticipation notes authorized to be issued or actually issued by
22 a governmental entity under Chapter 18 of Subtitle III of Title 39 of the
23 Louisiana Revised Statutes of 1950 shall be issued or deemed to have been
24 issued under the laws enacted by Subpart A of this Part, and particularly R.S.
25 39:529.

26 J. Refunding bonds authorized to be issued or actually issued by a
27 governmental entity under Chapter 14-A of Subtitle III of Title 39 of the
28 Louisiana Revised Statutes of 1950 shall be issued or deemed to be issued under
29 the laws enacted by Subpart A of this Part, and particularly R.S. 39:530.

1 **K. Bonds previously approved by the State Bond Commission shall not**
2 **require any additional or supplemental approval of the State Bond Commission**
3 **merely by virtue of being issued under the alternative authority of Subpart A**
4 **of this Part, provided that the source of repayment of such bonds is**
5 **substantially the same and such bonds are issued within the same parameters**
6 **and for the same purposes approved by the State Bond Commission.**

7 Section 2. R.S. 17:98, R.S. 39:563 through 578, 611 through 618, Subpart C of Part
8 III of Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950,
9 comprised of R.S. 39:661 through 672, Subpart D of Part III of Chapter 4 of Subtitle II of
10 Title 39 of the Louisiana Revised Statutes of 1950, comprised of R.S. 39:681 through 684,
11 Subpart E of Part III of Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes
12 of 1950, comprised of R.S. 39:691 through 697, Subpart F of Part III of Chapter 4 of Subtitle
13 II of Title 39 of the Louisiana Revised Statutes of 1950, comprised of R.S. 39:698.1 through
14 698.13, R.S. 39:741 through 742.2, R.S. 39:743 through 748, Part VII of Chapter 4 of
15 Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, comprised of R.S. 39:821
16 through 842, Part IX of Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes
17 of 1950, comprised of R.S. 39:911 through 914, Part X of Chapter 4 of Subtitle II of Title
18 39 of the Louisiana Revised Statutes of 1950, comprised of R.S. 39:931 through 934, Part
19 XI of Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950,
20 comprised of R.S. 39:971 through 974, R.S. 39:1011 through 1024, Chapter 14-B of Subtitle
21 III of Title 39 of the Louisiana Revised Statutes of 1950, comprised of R.S. 39:1460.1 and
22 1460.2, and Chapter 18 of Subtitle III of Title 39 of the Louisiana Revised Statutes of 1950,
23 comprised of R.S. 39:1801 through 1811, are hereby repealed in their entirety.

24 Section 3. The provisions of Sections 1 and 3 of this Act shall become effective on
25 July 1, 2018; if vetoed by the governor and subsequently approved by the legislature, this
26 Act shall become effective on July 1, 2018, or on the day following such approval by the
27 legislature, whichever is later. The provisions of Section 2 of this Act shall become effective
28 on January 1, 2019.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Martha S. Hess.

DIGEST

SB 426 Original 2018 Regular Session LaFleur

The purpose of proposed law is to clarify, modernize, and make uniform the laws relating to the power of parishes, municipalities, school boards, school districts, and other political subdivision of the state to incur debt and to issue bonds and other evidences of indebtedness. Proposed law retains present law.

Except as provided in proposed law relative to the application of proposed law to the city of New Orleans, any parish, municipality, school board, school district, or other political subdivision of the state, acting through its governing authority, is authorized to utilize proposed law.

Proposed law defines "bond", "costs of issuance", "credit enhancement", "financial products agreement", "general alimony tax", "governing authority", "governmental entity", "state", and "total assessed value" for purposes of proposed law.

Proposed law provides for the granting of a statutory lien and a security interest to the owners of any bonds issued pursuant to proposed law in such taxes, income, revenues, net revenues, monies, payments, receipts, agreements, or contract rights as are pledged to the payment of the bonds. Proposed law provides that no other notice, filing, or other proceedings or provisions of law are required for the perfection or priority of such security interest.

Proposed law provides relative to the authorization, sale, execution, and registration of bonds.

Proposed law provides relative to the rights of bondholders, the validity of the bonds, and the applicability of general bond laws. Proposed law provides relative to preemption, notice of default, and the exemption from taxation of the interest on the bonds. Proposed law provides relative to the negotiability and incontestability of the bonds, the application of proceeds, and the validation of the bonds.

Proposed law provides relative to lost, destroyed, or cancelled bonds, the employment of counsel and fees, and the statutes which are not applicable to the bonds.

Proposed law provides relative to the authority and procedures for the issuance of general obligation bonds, limited tax bonds, sales tax bonds, revenue bonds, limited revenue bonds, excess revenue bonds, and certificates of indebtedness, revenue anticipation notes, bond anticipation notes, grant anticipation notes, assessment certificates, and refunding bonds.

Proposed law contains transitional provisions in order to provide for an orderly transition for governmental entities that have previously authorized or issued indebtedness under prior bond laws.

Sections 1 and 3 are effective July 1, 2018; Section 2 is effective January 1, 2019.

(Adds R.S. 39:501-517, 521-531, and 541; repeals R.S. 17:98, R.S. 39:563-578, 611-618, 661-672, 681-684, 691-697, 698.1-698.13, 741-742.2, 743-748, 821-842, 911-914, 931-934, 971-974, 1011-1024, 1460.1, 1460.2, and 1801-1811)