

RÉSUMÉ DIGEST

ACT 569 (SB 426)

2018 Regular Session

LaFleur

The purpose of new 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. New law retains prior law.

Except as provided in new law relative to the application of new 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 new law.

New law defines "bond", "costs of issuance", "credit enhancement", "financial products agreement", "governing authority", "governmental entity", "state", and "total assessed value" for purposes of new law.

New law provides for the granting of a statutory lien and a security interest to the owners of any bonds issued pursuant to new law in such taxes, income, revenues, net revenues, monies, payments, receipts, agreements, contract rights, funds, or accounts as are pledged to the payment of the bonds. New 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.

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

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

New 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.

New law requires the attorney fees and compensation be subject to approval by the attorney general.

New 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.

New law provides that the issuer, owner, or holder of any bond issued prior to July 1, 2018, is subject to the provisions of law under which the bond was originally issued.

CONCORDANCE TABLE

Unless otherwise indicated, the references in replacement columns below are to sections in Title 39 of the Revised Statutes of 1950. The replacement section may conform with, modify or change the existing section.

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Sections 1 and 3 of new law are effective July 1, 2018; Section 2 of new law is effective July 1, 2021.

(Amends R.S. 39:562(C) and (D); adds R.S. 39:501-517 and 521-531; 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)