

2020 Regular Session

SENATE BILL NO. 459

BY SENATOR REESE

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

1 AN ACT

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

8 Notice of intention to introduce this Act has been published.

9 Be it enacted by the Legislature of Louisiana:

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

13 SUBPART B-49. VERNON PARISH DEVELOPMENT DISTRICT

14 §130.870. Vernon Parish Development District; creation; territorial
15 jurisdiction

16 A. The Vernon Parish Development District, hereinafter referred to as
17 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:

20 (1) Three members shall be appointed by the Vernon Parish Chamber
21 of Commerce.

22 (2) Three members shall be appointed by the governing authority of
23 Vernon parish.

24 (3) Three members shall be appointed by the mayor of Leesville.

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

29 C. Any member of the board of commissioners may be removed by the

1 governing authority of Vernon Parish, but only for cause and on charges
2 preferred against him in writing and after public hearing; provided that any
3 member so removed shall have the right to appeal his removal to a court of
4 competent jurisdiction within ten days of the decision of the governing authority
5 ordering his removal.

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

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

16 F. Elected officials are prohibited from serving on the board of
17 commissioners.

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

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

27 I. The board of commissioners shall prescribe rules to govern its
28 meetings, shall maintain suitable offices in the parish of Vernon, and may
29 contract with and employ attorneys, clerks, engineers, deputy commissioners,

1 superintendents, and other agents and employees and shall fix their
2 compensation and terms of employment.

3 §130.872. Powers of district

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

8 (1) To sue and be sued.

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

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

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

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

23 (6) To require and issue licenses with respect to its properties and
24 facilities.

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

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

29 (9) To appoint officers, agents, and employees, prescribe their duties, and

- 1 fix their compensation.
- 2 (10) To engage in public relations, advertising, marketing activities, and
3 to provide and disseminate information.
- 4 (11) To engage in government relations, ombudsman activities, and
5 government liaison.
- 6 (12) To provide financial and financing assistance.
- 7 (13) To provide tax abatement.
- 8 (14) To provide, directly or indirectly, planning and coordination for
9 economic development and resource utilization, including such functions as
10 industrial and economic research and industrial programming and solicitation.
- 11 (15) To provide industrial training, technical assistance, and technology
12 transfer.
- 13 (16) To use public and other legal powers to facilitate development.
- 14 (17) To promote transfer mechanisms to take ideas, from their point of
15 origin or development, to commercially successful utilization by local
16 enterprises.
- 17 (18) To foster entrepreneurial activities in Vernon Parish or in the
18 region.
- 19 (19) To promote the development of new products, processes, or services
20 or new uses for existing products, processes, or services manufactured,
21 produced or marketed in Vernon Parish or in the region.
- 22 (20) To support market research aimed at identifying new markets for
23 local or regional products and processes, including international markets; to
24 determine the characteristics, needs and preferences of those markets; and to
25 develop new marketing techniques to exploit those markets.
- 26 (21) To foster and support economic and industrial development and
27 education in cooperation with private business enterprises, financial
28 institutions, educational institutions, nonprofit institutions and organizations,
29 state government and political subdivisions of the state, the federal government,

1 and other organizations or persons concerned with research, development,
2 education, commercial application, and economic or industrial development in
3 ways that increase the economic base of Vernon Parish or of the region.

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

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

14 §130.873. Economic and industrial development

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

28 (2) The district shall also have the authority to sell, lease, or otherwise
29 dispose of, by suitable and appropriate contract, to any enterprise locating or

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

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

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

1 **(1) To acquire, whether by purchase, expropriation, exchange, gift, lease,**
2 **or otherwise, and to construct and improve, maintain, equip, and furnish one**
3 **or more economic development projects, including all immovable and movable**
4 **properties that the board of commissioners may deem necessary in connection**
5 **therewith and whether or not any such project shall be in existence.**

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

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

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

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

29 **(b) To enter into any economic or industrial development project**

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

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

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

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

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

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

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

1 to cooperative financing, cooperative development, or any other form of
2 cooperative economic development activity and shall be construed liberally in
3 order to give it the broadest possible application.

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

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

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

29 (1) To apply for and to receive and accept for or from any federal

1 agency, the state, or political subdivision of the state or for or from any public
2 or private source any grants, loans, or advance for or in the aid of an economic
3 development cooperative endeavor, project, or projects, to give and accept such
4 equity or security as may be required, and to enter into and carry out a contract
5 or contracts or agreements in connection therewith, provided that public notice
6 is given prior to such actions.

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

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

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

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

20 (6) To receive, loan, or expand seed capital or venture capital.
21 §130.874. Taxes; borrowing money

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

27 B.(1) The board of commissioners may, subject to approval of a majority
28 of the electors voting at an election held for the purpose, levy and collect a sales
29 and use tax within the boundaries of the district for such purposes and at such

1 rate as provided by the proposition authorizing its levy, not exceeding one
2 percent, which tax may exceed the limitation set forth in Article VI, Section
3 29(A) of the Constitution of Louisiana.

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

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

13 (4) The tax shall be imposed and collected uniformly throughout the
14 district.

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

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

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

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

1 **(b) Loan guarantees shall be used to assist an identifiable business**
2 **concern to finance plant construction, conversion, or expansion and to finance**
3 **acquisition of land, existing structures, machinery, or equipment and to provide**
4 **operational funds.**

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

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

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

15 **(f) Loan guarantees shall be targeted to industries, manufacturing firms,**
16 **and wholesale distribution firms and service firms.**

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

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

29 **(2) An economic development operation fund, for the development and**

1 attraction of industries to accomplish the following:

2 (a) The operational fund shall be used for operating expenses necessary
3 in creation of industrial and commercial development, in hiring sufficient staff
4 to accomplish the purposes set out in this Subpart, and other related expenses.

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

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

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

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

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

22 §130.875. Obligations of the district

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

27 B.(1) The district may in its own name and behalf incur debt and issue
28 general obligation ad valorem property tax secured bonds under the authority
29 of and subject to the provisions of Article VI, Section 33 of the Constitution of

1 Louisiana, Subpart A of Part III of Chapter 4 of Subtitle II of Title 39 of the
2 Louisiana Revised Statutes of 1950, when approved by a majority of the
3 qualified voters who vote in a special election called and conducted under the
4 authority of the Louisiana Election Code, including Chapter 6-A of Title 18 of
5 the Louisiana Revised Statutes of 1950, as amended. General obligation bonds
6 of the district may be issued for any of the purposes for which the district is
7 created or is authorized to act under any provisions of this Subpart all of which
8 purposes are hereby found and declared to be public purposes and functions of
9 the state of Louisiana, which are delegated to the district.

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

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

1 facsimile.

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

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

29 (d) Such bonds shall have the qualities of negotiable instruments under

1 the commercial laws of the state of Louisiana. All such bonds shall be special
2 and limited obligations of the district. In no event shall any such bonds
3 constitute an obligation, either general or special, of the general credit of the
4 district or of the state of Louisiana within the meaning of any constitutional or
5 statutory provision whatsoever, and the bonds shall contain a recital to that
6 effect.

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

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

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

1 resolutions or ordinances may include covenants for the security and payment
2 of any bonds or other evidence of debt so issued.

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

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

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

22 §130.876. Securities

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

1 as short-term revenue notes of a public entity under Chapter 15-A of Title 39
2 of the Louisiana Revised Statutes of 1950.

3 §130.877. Exemption from taxation

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

8 §130.878. General compliances; enhancement

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

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

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

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

1 **performing the duties and obligations of the secretary of the Department of**
 2 **Economic Development and with any notice required therein being published**
 3 **in the official journal of Vernon Parish rather than the official journal of the**
 4 **state.**

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

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

DIGEST

SB 459 Engrossed

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)