
DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Jackson

SB No. 253

Present law provides for the creation of public trusts to issue obligations and to provide funds for the furtherance and accomplishment of any authorized public function or purpose of the state or of any parish, municipality, political or governmental subdivision, or any other governmental unit in the state in real or personal property.

Proposed law retains present law.

Present law provides that a public trust may incur debt and issue bonds, notes, or other evidences of indebtedness to provide funds to fulfill and achieve its authorized public functions or purposes, and provides that if the beneficiary of the public trust is a parish, municipality, or a political or governmental subdivision thereof, all bonds or other debt obligations shall only be issued after the public trust has adopted a resolution giving notice of its intention to issue such bonds, and notice of this intention shall be published once a week for four weeks in a newspaper in the locality of the beneficiary or in the parish where it is located, with the first publication to appear at least 30 days before the public meeting of the trust to hear any objections to the proposed issuance of the bonds.

Proposed law retains present law.

Present law provides for the electorate to approve the issuance of bond issues of certain public trusts in certain circumstances. Proposed law makes technical change to update citations for the procedure for bond elections from Subtitle II, Chapter 4, Part II of Title 39 of the La. Revised Statutes of 1950 to Chapter 6-A of Title 17 of the La. Revised Statutes of 1950.

Present law requires that prior to the publication of the required notice of intention, the contents of said notice of intention shall be approved by the State Bond Commission. Proposed law deletes present law.

Present law requires that all bond issues of a public trust shall be submitted to and approved by the State Bond Commission prior to the issuance and sale of the bonds by the State Bond Commission.

Proposed law retains present law requirement that all bond issues of a public trust be submitted to and approved by the State Bond Commission prior to the issuance and sale of the bonds, but proposed law changes the seller of the bonds from the State Bond Commission to the public trust except when the state is the beneficiary of the financing.

Present law provides that the property of a public trust having Jefferson Parish as its beneficiary which is authorized under its trust indenture to engage in or issue bonds to finance projects for substantially all of the public purposes set forth in R.S. 9:2341(B)(1), which is acquired or held for one or more of said purposes, is public property used for essential public and governmental purposes. Provides that, accordingly, such public trust, its properties and income, and bonds it issues and income from such bonds are exempt from all taxes of the parish or municipality, the state, or any political subdivision thereof or any other taxing body. Present law further provides that such public trust may require the lessee of each of the projects of the public trust to pay annually to parish or municipal taxing authorities or to any other taxing body, through the normal collecting agency, a sum in lieu of ad valorem taxes to compensate such authorities for any services rendered by them to such projects. Further provides that new law shall not become effective until approved by a resolution of the Jefferson Parish Council.

Proposed law retains present law but deletes references to Jefferson Parish and makes present law applicable to any public trust, having as its beneficiary a parish, municipality, or a political or governmental subdivision thereof.

Present law provides for bonds sold by the State Bond Commission for the state and its boards, departments, commissions, authorities and agencies and provides for certain exclusions from present law. Proposed law adds "public trusts" (except when the state is the beneficiary of the financing) to the excluded entities.

Effective on August 15, 2011.

(Amends R.S. 9:2347(A)(1), (H) and (M) and R.S. 39:1403(A))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill.

1. Adds "public trusts" to the exclusions from present law on state bonds in the public finance provisions in Title 39 of the La. Revised Statutes.

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the reengrossed bill.

1. Increases the required publication from once a week for two weeks (Senate amendment) to once a week for four weeks. (present law)
2. Adds provision that the public trust shall be the seller of the bonds except when the state is the beneficiary of the financing.
3. Adds requirement that bonds for public trusts, when the state is the beneficiary of the financing, shall be sold by the State Bond Commission.