

Regular Session, 2014

SENATE BILL NO. 517

BY SENATOR ALLAIN

LOCAL AGENCIES. Prohibits the state bond commission from approving any tax exempt indebtedness if the proposition to incur such indebtedness was approved in an election in which turnout was less than 20% of registered voters. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 39:1405(B), relative to the state bond commission; to prohibit

3 the commission from approving certain debt or issuing certain evidences of

4 indebtedness; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 39:1405(B) is hereby amended and reenacted to read as follows:

7 §1405. General debt policy and procedures

8 * * *

9 B.(1) No person or entity, public or private, shall incur debt or issue

10 evidences of indebtedness for the purpose of financing any project in the state of

11 Louisiana, the interest upon which indebtedness or evidence thereof is exempt from

12 federal income taxation under Section 103 of the Internal Revenue Code of 1954,

13 without the consent and approval of the State Bond Commission. Any evidence of

14 indebtedness incurred or issued in violation of this Section shall be null and void and

15 no court of this state shall have jurisdiction to enforce the payment thereof pursuant

16 to the provisions of R.S. 47:1806.

17 **(2) The state bond commission shall not give its consent and approval to**

1 **any such debt or issuance of evidences of indebtedness if the proposition to**
2 **incur such debt was approved by a majority of voters in an election in which the**
3 **total number of persons voting thereon constituted less than twenty percent of**
4 **the number of voters on the official or active list of voters on all the precinct**
5 **registers and any supplements thereto for all the precincts in which the election**
6 **was held.**

7 * * *

8 Section 2. This Act shall become effective upon signature by the governor or, if not
9 signed by the governor, upon expiration of the time for bills to become law without signature
10 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
11 vetoed by the governor and subsequently approved by the legislature, this Act shall become
12 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 Riley Boudreaux.

DIGEST

Present law prohibits any person or entity, public or private, from incurring federal tax
exempt debt or issuing evidences of indebtedness which are federal tax exempt for the
purpose of financing any project in the state without the consent and approval of the State
Bond Commission.

Proposed law prohibits the bond commission from giving such consent and approval to such
debt or evidences of indebtedness if the proposition to incur such debt was approved by a
majority of voters in an election thereon in which the total number of persons voting
constituted less than 20% of the number of voters on the official or active list of voters on
all the precinct registers and any supplements thereto for all the precincts in which the
election was held.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 39:1405(B))