

Regular Session, 2014

HOUSE BILL NO. 267

BY REPRESENTATIVE PONTI

1 AN ACT

2 To amend and reenact R.S. 39:551.1 and 997(A) and R.S. 51:1157.1, relative to bond
3 insurance; to remove the Board of Commerce and Industry and the secretary of the
4 Department of Economic Development from the process of bond approval; and to
5 provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 39:551.1 and 997(A) are hereby amended and reenacted to read as
8 follows:

9 §551.1. Parish, ward, or municipality; power to incur debt and issue bonds to
10 encourage industrial enterprises

11 Any parish, ward, or municipality of this state, in order to encourage the
12 location of or addition to industrial enterprises therein, may incur debt and issue
13 negotiable bonds under the provisions of and in accordance with the existing laws
14 relating to incurring debt and issuing bonds, and may use the funds derived from the
15 sale of such bonds, which shall not be sold for less than par or bear a greater rate of
16 interest than that authorized in Act No. 19 of the First Extraordinary Session of 1975,
17 R.S. 39:1421 to 1426, as the same now exists or may be hereafter amended, payable
18 annually or semiannually, to acquire industrial plant sites and other necessary
19 property or appurtenances for and to acquire or construct industrial plant buildings
20 located within such parish, ward, or municipality, as the case may be, and may sell,
21 lease, or otherwise dispose of a plant site, appurtenances and plant building, or
22 buildings, either, both, or severally, by suitable and appropriate contract, to any
23 enterprise locating or existing within such parish, ward, or municipality. Bonds so
24 issued shall not exceed in the aggregate twenty percent of the assessed valuation of

1 the taxable property of such parish, ward, or municipality, including both (i)
 2 homestead exempt property which shall be included on the assessment roll for the
 3 purposes of calculating debt limitation and (ii) nonexempt property, to be ascertained
 4 by the last assessment for parish, ward, or municipal purposes previous to delivery
 5 of the bonds representing such indebtedness, regardless of the date of the election at
 6 which said bonds shall have been voted. Such bonds shall not run for a longer period
 7 than twenty-five years from date thereof. Any income or revenue accruing to the
 8 parish, ward, or municipality from such contract shall be deposited in the sinking
 9 fund dedicated to the payment of any debt incurred herein. In addition, before the
 10 calling and holding of an election to incur debt and issue bonds for such purpose, any
 11 existing similar and directly competing industry situated within such parish, ward,
 12 or municipality, as the case may be, must first have filed with the governing
 13 authority calling the election a written consent to the incurring of debt and issuing
 14 of bonds for the purpose of encouraging the location therein of such industrial
 15 enterprise, and, before calling an election to vote on incurring debt and issuing bonds
 16 to carry out any plan to encourage the location of or additions to industrial enterprise,
 17 the State Bond Commission ~~and the State Board of Commerce and Industry or their~~
 18 ~~successors~~ or its successor in function ~~each~~ shall certify ~~their~~ its approval of any
 19 proposed contract between the parish, ward, or municipality and industrial enterprise
 20 to be aided, encouraged, or ~~benefited~~ benefitted. A municipality may incur debt,
 21 issue negotiable bonds, and use the funds derived from the sale of the bonds under
 22 the provisions of this Section to encourage the location of or addition to industrial
 23 enterprises in an adjoining area or area outside the corporate limits of the
 24 municipality but within the parish in which the municipality is located.

* * *

§997. Approval by ~~state bond and tax board and board of commerce and industry~~

State Bond Commission; validation; interest rates

A. Before incurring debt and issuing bonds to carry out any plans to
 encourage the location of or additions to an industrial enterprise, the State Bond ~~and~~
~~Tax Board and Board of Commerce and Industry or their successors~~ Commission or

1 its successor in function, shall certify ~~their~~ its approval of any proposed contract
 2 between the municipality and the industrial enterprise to be aided, encouraged, or
 3 ~~benefited~~ benefitted. The maximum interest rate at which bonds may be issued
 4 under this Part shall not exceed the maximum rate for conventional interest fixed by
 5 ~~the Louisiana Civil Code~~ R.S. 9:3500 et seq.

* * *

Section 2. R.S. 51:1157.1 is hereby amended and reenacted to read as follows:

§1157.1. Approval by State Bond Commission ~~and Secretary of Economic
Development~~

Any proposed instrument which provides security for the payment of bonds
issued by the corporation shall be approved by the State Bond Commission ~~and the
secretary of the Department of Economic Development~~. The issuance and sale of
any bonds by the corporation shall also be approved by the State Bond Commission.

Section 3. This Act shall become effective on July 1, 2014; if vetoed by the governor
and subsequently approved by the legislature, this Act shall become effective on July 1,
2014, or on the day following such approval by the legislature, whichever is later.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____