AN ACT


Coding: Words which are struck through are deletions from existing law; words in boldface type and underscored are additions.
indebtedness; to provide definitions; to provide for the statutory lien; to provide relative to the authorization, sale, execution, and registration of bonds; to provide relative to the rights of bondholders; to provide relative to the validity of bonds; to provide for the applicability of general bond laws; to provide for peremption; to provide for notice of default; to provide for the bonds to be exempt from taxation and to be legal investments; to provide for the negotiability and incontestability of the bonds; to provide for the application of proceeds; to provide for bond validation; to provide relative to lost, destroyed, or cancelled bonds; to provide relative to counsel fees; to provide relative to general obligation bonds; to provide relative to limited tax bonds and bonds payable from the general alimony tax; to provide relative to sales tax bonds; to provide relative to revenue bonds; to provide relative to limited revenue bonds; to provide relative to excess revenue bonds and certificates of indebtedness; to provide relative to bond anticipation notes; to provide relative to grant anticipation notes; to provide relative to assessment certificates; to provide relative to refunding bonds; to provide transitional provisions; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. Subparts A, B, and C of Part II of Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, comprised of R.S. 39:501 through 517, 521 through 531, and 541, are hereby enacted to read as follows:

PART II. CONSOLIDATED LOCAL GOVERNMENT PUBLIC FINANCE ACT

SUBPART A. GENERAL PROVISIONS

§501. Designation

This part may be referred to as the "Consolidated Local Government Public Finance Act".

§502. Purposes, rules of construction

A. The purposes of this Part are to clarify, modernize, and make uniform the laws relating to the powers of parishes, municipalities, school boards, school
districts, and other political subdivisions of the state to incur debt and to issue bonds and other evidences of indebtedness.

B. This Part shall be liberally construed so as to give effect to its intended purposes.

C. Except as provided in Subsection D of this Section, any parish, municipality, school board, school district, or other political subdivision of the state, acting through its governing authority, is authorized to employ the provisions of this Part, including the laws referenced in this Part relating to the issuance of bonds, as a complete and additional method for the issuance of bonds.

D. This Part shall not apply to nor be utilized by the city of New Orleans or its agencies, boards, authorities, and commissions, including the Sewerage and Water Board of New Orleans, except as specifically provided herein.

E. Bonds issued under any provision of Subpart B of this Part shall be entitled to the rights and benefits conferred generally by Subpart A of this Part.

F. The issuer, owner, or holder of any bond issued by any governmental entity prior to July 1, 2018, shall be entitled to the rights and benefits conferred by R.S. 39:504, R.S. 39:506, and R.S. 39:511, without any further action, or may at its option utilize the provisions of prior law under which the bond was originally issued.

§503. Definitions

As used in this Part, the following words, terms, and phrases shall have the meanings ascribed to them in this Section, except where the context clearly indicates a different meaning:

(1) ''Bond'' or ''bonds'' means any bonds, notes, warrants, certificates of indebtedness, certificates of participation or other written contracts, agreements, or instruments evidencing the obligation of a governmental entity to repay borrowed money, regardless of the designation thereof.

(2) ''Costs of issuance'' means all items of expense related to the
authorization, sale and issuance of bonds, including but not limited to printing costs, costs of preparation and reproduction of documents, filing and recording fees, fees and charges of any fiduciary, legal fees and charges of any counsels necessary in connection with the issuance of bonds, costs of preparation, printing, and distribution of official statements or other disclosure documents, fees and disbursements of consultants and professionals employed in connection with the issuance of bonds, costs of credit ratings, fees and charges for preparation, execution, transportation, and safekeeping of bonds, costs and expenses of refunding, underwriters discount or placement fees, costs of any credit enhancement, costs of any financial products agreement, and any other cost, charge, or fee in connection with the issuance of bonds.

(3) "Credit enhancement" means any letter of credit, insurance policy, surety bond, standby bond purchase agreement, reserve fund surety bond, or similar facility as used for the purpose of enhancing the security or credit quality of bonds.

(4) "Financial products agreement" means an interest rate swap, cap, collar, floor, other hedging agreement, arrangement or security, however denominated, entered into by a governmental entity not for investment purposes but with respect to a series of bonds for the purpose of reducing or otherwise managing the risk of interest rate changes, or effectively converting a governmental entity's interest rate exposure, in whole or in part, from a fixed rate exposure to a variable rate exposure, or from a variable rate exposure to a fixed rate exposure.

(5) "General alimony tax" means the ad valorem tax authorized to be levied:

(a) By a parish under Article VI, Section 26(A) of the Constitution of Louisiana.

(b) By a municipality under Article VI, Section 27(A) of the Constitution of Louisiana.
(c) By a school board under Article VIII, Section 13(C)(First) or Section 13(C)(Second) of the Constitution of Louisiana.

(6) "Governing authority" means the elected or appointed body that exercises the legislative functions of a parish, municipality, school board, school district, or other political subdivision, including:

(a) A sheriff in the case of a law enforcement district.

(b) An assessor in the case of an assessment district.

(c) A district attorney in the case of a judicial enforcement district.

(7) "Governmental entity" means any parish, municipality, school board, school district, or other political subdivision of the state, other than the city of New Orleans and its agencies, boards, authorities, and commissions, and other than the Sewerage and Water Board of New Orleans. However, any other discrete political subdivision coterminous with or wholly within the city of New Orleans created by the Constitution of Louisiana, the legislature, or the Home Rule Charter of the city of New Orleans or by the New Orleans City Council, shall be a governmental entity within the meaning of this Part and may utilize the authority provided in this Part through its governing authority.

(8) "State" means the state of Louisiana.

(9) "Total assessed value" means the assessed valuation of all property, including both homestead exempt property, which shall be included on the assessment roll for the purposes of total assessed value, and nonexempt property as shown on the most recent assessment of the parish in which the governmental entity is located.

§504. Statutory lien

A. It is the intention of the legislature that bonds issued by a governmental entity under this Part, or under any other statutory authority referenced herein, shall be secured debt entitled to the highest possible protection and priority afforded by the bankruptcy laws of the United States and this state. Therefore, the owner or owners of any such bonds are hereby...
granted and shall have a statutory lien on and a security interest in such taxes, income, revenues, net revenues, monies, payments, receipts, agreements, or contract rights as are pledged to the payment of such bonds, to the fullest extent and in the manner stated in this Part and in the proceedings authorizing such bonds, and any pledge or grant of a lien or security interest in such taxes, income, revenues, net revenues made by a governmental entity in connection with the issuance of bonds shall be valid, binding, and perfected from the time when the pledge or grant of lien or security interest is made. The taxes, income, revenues, or net revenues shall immediately be subject to the lien of such pledge and security interest without any physical delivery therefor or further act and the lien of such pledge and security interest shall be first priority and valid and binding as against all parties having claims of any kind in tort, contract, bankruptcy, or otherwise against the governmental entity, whether or not such parties have notice thereof. The owner or owners of bonds shall be secured creditors with respect to such taxes, income, revenues, or net revenues, as the case may be.

B. Any bond issued under this Part or any other statutory authority referenced herein may contain a recital that refers to the statutory lien created by this Section and describes the taxes, income, revenues, or net revenues to which such statutory lien applies; however the failure to include the aforesaid recital shall not affect the validity or efficacy of the statutory lien granted by this Section and by the proceeds authorizing such bonds.

C. No notice, filing, or other proceedings under Chapter 9 of the Louisiana Commercial Laws, R.S. 10:9-101 et seq., or any other provision of law for the perfection or priority of such pledge and security interest shall be necessary to perfect the statutory lien granted by this Section and by the proceedings authorizing such bonds.

D. The statutory lien shall also apply to and secure any administrative fees owed to the Clean Water State Revolving Fund or the Drinking Water
Revolving Loan Fund, in connection with bonds that evidence an obligation to repay a loan from one of said revolving funds.

§505. Authorization, sale, execution, and registration of bonds

A. Each governing authority shall have authority to adopt all proceedings necessary for the authorization, sale, and delivery of bonds, including the right to enter into all contractual arrangements as may be necessary to effectuate the purpose for which the bonds are being issued upon terms determined by the governing authority. Bonds issued under this Part may be issued by either resolution or ordinance, unless the use of a resolution or the use of an ordinance is specifically required by law or home rule charter.

B. Bonds issued under this Part may be sold at a public or private sale upon such terms, in the manner and by following such procedures as may be determined by the governing authority of the governmental entity. No bond issued under this Part shall be required to be registered with the secretary of state or any other office or official.

C. Bonds issued under this Part may be secured additionally by credit enhancement, or be entitled to the benefits of a financial products agreement, the cost of which, upon a finding of benefit therefrom by the governing authority, may be paid from the proceeds of the bonds or other lawfully available funds. Bonds may also be secured by a trust agreement or trust indenture by and between the governmental entity and one or more corporate trustees.

D. In addition to the foregoing, the proceedings authorizing the issuance of bonds may provide that such bonds will be of such series, bear such date or dates, mature at such time or times, bear interest at such rate or rates payable at such times, be in such denominations, be in such form, carry such registration and exchangeability privileges, be payable in such medium and at such place or places within or without the state, be subject to such terms of prepayment or redemption, be entitled to such priorities on the pledged taxes,
revenues, or other source of security, as such proceedings may provide. Bonds
shall be executed in the name of the governmental entity by the manual or
facsimile signatures of such official or officials of the governmental entity
designated by the governing authority in said proceedings. At least one
signature on each bond shall be a manual signature, which manual signature
may be an authenticating signature by a designated bank or other financial
institution or person, and facsimile signatures may be used in the manner
provided by law. The seal, or a facsimile thereof, of the governmental entity
may, but is not required to be affixed, imprinted, engraved, or otherwise
reproduced upon each bond. The delivery of any bonds so executed at any time
thereafter shall be valid, although before the date of delivery, any person or
persons signing the bonds shall cease to hold office.
§506. Rights of bondholders

A. Any owner of bonds issued under this Part may by suit, action,
mandamus, or other proceedings, protect and enforce the statutory lien
provided by this Part as well as the security provided for such bonds or the
repayment thereof by the proceedings authorizing such bonds, and may by suit,
action, mandamus, or other proceedings enforce and compel performance of all
of the duties required to be performed by the governing authority of the issuer
of such bonds or as may be provided for in the proceedings authorizing the
issuance of such bonds.

B. No member of the governing authority or any officer or employee of
the governmental entity that has issued bonds, or any person executing such
bonds shall be personally liable on such bonds.

C. The governing authority may in the proceedings authorizing bonds
provide for the respective priorities of its separate series of bonds, and may
provide for the issuance of additional parity bonds in the future pursuant to
such procedure or restrictions as may be specified in such proceedings. In the
absence of such provision, if more than one series of bonds, other than general
obligation bonds, shall be issued hereunder payable from the same taxes or
other revenues, then the priority of lien on such revenues shall depend on the
time of the delivery of such series of bonds, each series enjoying a lien prior and
superior to that enjoyed by any series of bonds subsequently delivered, except
that as to any series of bonds which may be authorized as a unit but delivered
from time to time in tranches or separate series, the governing authority may
in the proceedings authorizing the issuance of such bonds provide that all of the
bonds of such series or issue shall be coequal as to lien regardless of the time of
delivery.

D. Proceedings authorizing the issuance of bonds may contain such
covenants with the future owner or owners of the bonds as to the taxes or
revenues that secure such bonds, the disposition of such taxes or revenues, the
issuance of future bonds, and such other pertinent matters as the governing
authority may desire to assure the marketability of such bonds, provided such
covenants are not inconsistent with the provisions of this Part.

E. Any proceedings authorizing the issuance of bonds may contain such
provisions to assure the enforcement, collection, and proper application of the
taxes or revenues pledged as security for the bonds as the governing authority
may think proper, where not inconsistent with the provisions of this Part. When
any bonds shall have been issued, this Part, the proceedings of the governing
authority relating to the pledged taxes or revenues, and the obligation of the
governing authority to continue to collect and allocate such pledged taxes or
revenues and to apply such pledged taxes or revenues in accordance with the
provisions of said proceedings, shall be irrevocable until such bonds have been
paid in full as to principal and interest, and shall not be subject to amendment
in any manner which would impair the rights of the owners from time to time
of such bonds or which would in any way jeopardize the prompt payment of
principal thereof or interest thereon.

§507. Validity of bonds; recital of regularity
Before bonds are issued under this Part, the governing authority shall
investigate and determine the regularity of the proceedings. The proceedings
authorizing the bonds may direct that the bonds contain the following recital:

"It is certified that this indebtedness is authorized by and is
issued in conformity with the requirements of the Constitution
and statutes of Louisiana."

Such recital shall be deemed to be an authorized declaration of the
governing authority and to import that there is constitutional and statutory
authority for issuing the bonds and imposing the pledged tax or providing for
the collection of the pledged revenues; that all the proceedings therefor are
regular; that all acts, conditions, and things required to exist, happen and be
performed precedent to and in the issuance of the bonds and imposition of any
pledged tax or providing for the collection of the pledged revenues have existed,
have happened and have been performed in due time, form, and manner as
required by law; that the amount of the bonds, together with all other
indebtedness of the governmental entity does not exceed any limit or limits
prescribed by the constitution or statutes of Louisiana; and that the required
notices have been duly and regularly given in the manner required by law. If
any bonds are issued containing the above recital, the same shall be construed
according to the import herein declared, and it shall be conclusively presumed
that the recital is true, and neither the governing authority nor any taxpayer
shall be permitted to question the validity or regularity of the bonds,
obligations, or tax in any court or in any action or proceeding.

§508. Applicability of general bond laws

Bonds issued under this Part shall be further subject to Section 244 of
Part XI of Chapter 4, Chapters 13, 13-A, and 14 of Subtitle III all of this Title
39 of the Louisiana Revised Statutes of 1950, provided that in the event of any
conflict between this Part and the provisions of said Section 244, Chapters 13,
13-A, or 14, then the provisions of this Part shall apply to any bonds issued
under this Part.

§509. Peremption

Every ordinance or resolution authorizing the issuance of bonds under this Part shall be published at least once in the official journal of the governmental entity issuing the bonds, or in a newspaper having general circulation therein. Exhibits to any such ordinance or resolution need not be published if the exhibits are enumerated in the publication and it is stated in the publication that such exhibits are available for public inspection at the office of the governing authority during regular business hours. For thirty days after the date of publication, any person in interest may contest the legality of the ordinance or resolution and of any provision therein made for the security and payment of the bonds. After that time, no one shall have any cause of action to test the regularity, formality, legality, or effectiveness of the ordinance or resolution, and provisions thereof for any cause whatever. Thereafter, it shall be conclusively presumed that every legal requirement for the issuance of the bonds, including all things pertaining to the election, if any, at which the bonds were authorized, has been complied with. No court shall have authority to inquire into any of these matters after the thirty days.

§510. Notice of default

The chief executive officer or the chief financial officer of any governmental entity that has issued bonds shall notify the State Bond Commission in writing whenever any required deposit to any debt service sinking fund in connection with such bonds has not been made timely or whenever the principal, interest, premium, or any other payment due on such bonds has not been made timely.

§511. Exemption from taxation; legal investments

A. All bonds issued under this Part and the interest or other income thereon or with respect thereto shall be exempt from all income tax and other taxation in Louisiana.
B. All bonds issued under this Part shall be legal and authorized investments for banks, savings banks, insurance companies, homestead and building loan associations, trustees, and other fiduciaries and may be used for deposit with any officer, board, or political subdivision, in any case where, by present or future laws, deposit or security is required.

§512. Bonds negotiable and incontestable

Bonds issued under this Part shall have all the qualities of negotiable paper and shall not be invalid for any irregularity or defect in the proceedings for their issuance and sale, and shall be incontestable in the hands of bona fide purchasers or owners for value.

§513. Application of proceeds

A. The proceeds of bonds issued under this Part shall be used exclusively for the purpose or purposes for which the bonds are authorized to be issued, including but not limited to the payment of costs of issuance, the cost of funding any required debt service reserves, the cost of credit enhancement or the cost of a financial products agreement. The purchaser of the bonds shall not be obliged to see to the application thereof. In the event that the governing authority of the governmental entity that issued bonds determines that all or part of the proceeds of the sale of such bonds are no longer needed for the purpose for which the bonds were originally issued, the governing authority may rededicate such unexpended proceeds for a different purpose, provided that such different purpose is one for which the bonds could have been originally issued, or it may utilize the unexpended proceeds to prepay or redeem such bonds.

B. Any premium received by a governmental entity in connection with the sale of bonds shall be expended for:

(1) Any purpose for which the bonds are being issued and deposited in the same account into which the bond proceeds are deposited for such purpose.

(2) The payment of the principal or the interest on the bonds and shall
be deposited in a sinking fund or debt service fund established for such purpose.

C. Any accrued interest received by a governmental entity in connection with the sale of bonds shall be applied to the payment of principal or interest on such bonds, and deposited in a sinking fund or debt service fund established for such purpose.

§514. Bond validation

Bonds issued under this Part may be validated in accordance with Part XVI of Chapter 32 of Title 13 of the Louisiana Revised Statutes of 1950, or any successor laws relating to suits to determine validity of governmental bonds.

§515. Lost, destroyed, or cancelled bonds

A. Whenever any bond is lost, destroyed, or improperly cancelled, the issuing governmental entity may, by resolution of its governing body, authorize the issuance of new bonds to replace them, upon proof of such loss, destruction, or cancellation satisfactory to the governmental entity and upon the giving to the governmental entity an indemnity bond in such amount as the governmental entity thereof may require. The new bond shall in all respects be identical with those lost, destroyed, or cancelled except that it shall bear on its face the following additional clause:

"This bond is issued to replace a lost, cancelled, or destroyed bond under the authority of R.S. 39:525."

B. Such new bond shall be signed by the same officers who signed the original bond, provided, however, that in the event the officers who signed the original bonds are no longer in office, then the new bond shall be signed by the officers then in office.

C. If the original bond was registered in the office of the secretary of state, and bore a certificate evidencing such registration signed by the secretary of state, then the new bond shall not be required to be registered in the office of the secretary of state.

D. The obligation of the governmental entity upon the new bond shall be
identical with its obligation upon the original bond, and the rights of the owner, including any statutory lien granted by this Part or the proceedings authorizing the original bond, shall be the same as those conferred by the original bond.

§516. Employment of counsel; fees

Employment of counsel by a governmental entity in conjunction with the issuance of bonds shall not be subject to approval by the attorney general provided that said fees and compensation of counsel do not exceed the attorney general fee schedule or other statutory limitations, and such employment and payment of fees and compensation shall be deemed lawful and approved.

§517. No other statutes applicable

This Part shall be a complete and additional method for the issuance and sale of bonds by any governmental entity, and this Part shall constitute full authority for the issuance and sale of the bonds authorized herein. No ordinance, resolution, filing, registration, approval, publication, election, or right of referendum in respect to the issuance of any bonds hereunder or for the perfection of the statutory lien provided herein shall be necessary, except such as may be required by this Part. The recordation of any resolution, ordinance, or other proceeding relating to the issuance of bonds, except for any mortgage securing bonds, shall not be required by this Part. Any publication prescribed hereby may be made in the official journal or in any newspaper of general circulation within the governmental entity.

SUBPART B. AUTHORITY FOR SPECIFIC BONDS

§521. General obligation bonds

A. Any governmental entity may incur debt and issue general obligation bonds under the authority of Article VI, Section 33 of the Constitution of Louisiana and this Part, for the purpose of financing any capital expenditures related to the lawful purposes of the governmental entity, title to which shall be in the public. Such bonds may be issued only after having been approved by a majority of the electors who vote in an election held in accordance with the
Louisiana Election Code for the purpose of approving the issuance of the bonds. The proposition submitted to the electors shall state the maximum principal amount of bonds to be issued, the maximum term, which shall not exceed forty years, the maximum interest rate, the purposes for which the bonds are proposed to be issued, and the estimated millage rate to be levied for the repayment of such bonds in the first year of issue.

B. After the results of the election have been promulgated in accordance with the Louisiana Election Code, the governing authority of the governmental entity may proceed to issue the bonds within the parameters approved by the electors.

C.(1) The principal amount of bonds to be issued under this Section, together with the principal amount of outstanding general obligation bonds of the governmental entity, shall not exceed:

(a) For school boards and school districts thirty-five percent.
(b) For municipalities and parishes ten percent for each authorized purpose or thirty-five percent in the aggregate for all purposes.
(c) For all other governmental entities twenty percent in the aggregate for all purposes, calculated on the total assessed value of the governmental entity, as shown on the most recent assessment prior to the delivery of the bonds, regardless of the date on which the election was held.

(2) In the event that the total assessed value of the governmental entity does not appear on the most recent assessment prior to the delivery of the bonds, or if the boundaries of the government entity have been enlarged or significant property added to the total assessed value since the most recent assessment, then the parish or municipal assessor for such governmental entity shall certify the total assessed value of the governmental entity as of the date of delivery of the bonds and such certification shall be used for calculating the debt limits set forth in this Section.

(3) Notwithstanding the foregoing, any governmental entity with a
general obligation debt limit under any other provision of law that is in excess
of the debt limit set forth in Paragraph (1) of this Subsection may issue general
obligation bonds under this Part using such higher debt limit.

D.(1) The full faith and credit of the government entity is hereby pledged
to the payment of general obligation bonds issued by such governmental entity
under this Part. The governing authority of any governmental entity issuing
general obligation bonds under this Part shall impose and collect annually, for
as long as any of its general obligation bonds are outstanding and unpaid, in
excess of all other taxes and without limit as to rate or amount, a tax on all
property subject to taxation by the governmental entity sufficient to pay the
interest and the principal falling due each year, or such amount as may be
required for any sinking fund necessary to retire said bonds at maturity. The
tax shall be levied and collected, for as long as any of its general obligation
bonds are outstanding and unpaid by the same officers, at the same time, and
in the same manner as the general taxes of the governmental entity and, except
as provided in Paragraph (5) of this Subsection, may be expended solely for
payment of debt service on such bonds and administrative expenses relating
thereto, such as trustee or paying agent fees and other costs directly related to
the administration of such bonds. Should the governmental entity neglect or
fail for any reason to impose or collect sufficient taxes for the payment of the
principal or interest of any bonds issued hereunder, any person in interest may
enforce imposition and collection thereof in any court having jurisdiction of the
subject matter, and any suit, action, or proceeding brought by such person in
interest shall be a preferred cause, and shall be heard and disposed of without
delay.

(2) For the purpose of reducing the overall tax burden on taxpayers and
easing the administrative burden of accounting for separate tax levies, any
governmental entity with more than one outstanding issue or series of general
obligation bonds shall levy a single unified tax for the payment of all of such
issues or series.

(3) As additional security for the owners of general obligation bonds issued by any special service district that has been created by a parish or municipal governing authority pursuant to a general state law, if there is any default in the imposition and collection of any tax required for the payment of the principal or interest of any general obligation bonds issued by such special service district, then the governing authority of the municipality or parish that created the special service district shall impose and the taxing officers of the parish in which the special service district is situated shall collect at the same time and in the same manner as taxes for parish purposes are imposed and collected, such tax on the taxable property of the special service district as shall be necessary for the payment of the principal and interest on the general obligation bonds of such special service district.

(4) All the articles and provisions of the Constitution of Louisiana, and all the laws in force or that may be hereafter enacted regulating and relating to the collection of taxes and tax sales shall also apply to and regulate the collection of the special taxes imposed under the provisions of this Part, through the officer whose duty it is to collect the taxes and monies due the subdivision imposing the special taxes.

(5) As additional security for the owners of all general obligation bonds issued by any governmental entity, in the event of any default in the imposition and collection of the taxes required for the payment of such bonds the taxing officers of the state are further authorized and directed to impose and collect the taxes, and shall certify the same, and cause the same to be imposed and collected at the same time and in the same manner as the taxes for state purposes are imposed and collected in the subdivision incurring the debt.

(6) Upon the payment in full of general obligation bonds, if any excess monies remain in the sinking fund or debt service fund for such bonds, such monies shall be retained therein for the payment of any other outstanding
general obligation bonds of the governmental entity, or if the governmental entity has no other outstanding general obligation bonds then such monies may be expended for capital projects similar to those for which the bonds were originally issued.

§522. Limited tax bonds

A. Any governmental entity may anticipate the revenues to be realized from special taxes that are authorized to be levied pursuant to provisions of the constitution and laws of Louisiana by borrowing money to be used only for the purpose for which such a tax may be levied. Such a borrowing shall be evidenced by limited tax bonds of the governmental entity, said limited tax bonds to be payable solely from and secured by an irrevocable pledge and dedication of the revenues of such tax.

B. The principal and interest due in any year on limited tax bonds issued under this Section shall not exceed seventy-five percent of the revenues estimated to be realized from the levy of the tax so pledged for the calendar year in which such limited tax bonds are issued, regardless of the date on which the revenues are anticipated to be received.

C. The principal of limited tax bonds issued under this Section shall be made due and payable annually not later than June first of each future year in which principal falls due.

§523. Sales tax bonds

A. A governmental entity that is authorized to levy and collect a sales tax may fund sales tax revenues into bonds and issue said bonds from time to time for the purpose or purposes for which such tax may be levied, said bonds to be payable from and secured by an irrevocable pledge and dedication of sales tax revenues subject only to the prior payment of the costs and expenses of collection and administration of such tax.

B. Any governmental entity, including the city of New Orleans, previously authorized to issue sales tax bonds under the provisions of Subpart...
F of Part III of Chapter 4 of Title 39 of the Louisiana Revised Statutes of 1950, is specifically authorized to issue sales tax bonds pursuant to this Section in the alternative, without the necessity of any further authorization or voter approval.

C. The maturities of sales tax bonds shall be so arranged that the total amount of principal and interest falling due in any fiscal year of the governmental entity, together with principal and interest falling due in such fiscal year on all bonds payable from the same sales tax theretofore issued and then outstanding, shall never exceed seventy-five percent of the amount of sales tax revenues estimated by the governing authority to be received by it in the fiscal year in which the bonds are issued. The final maturity of sales tax bonds shall be no later than twenty-five years from the date of issuance or the ninety days following the expiration date of the pledged sales tax, whichever occurs first.

D. Bonds issued under this Section shall constitute a borrowing solely upon the credit of the sales tax revenues received or to be received by the governmental entity and shall not constitute an indebtedness or pledge of the general credit of the governmental entity within the meaning of any constitutional or statutory provision relating to the incurring of indebtedness, and the bonds shall contain a recital to that effect.

E. As specified by Article VI, Section 29 of the Constitution of Louisiana, when any bonds shall have been issued under this Section, neither the legislature, the governing authority, nor any other authority shall discontinue or decrease the sales tax or permit to be discontinued or decreased the sales tax in anticipation of the collection of which such bonds have been issued, or in any way make any change in the allocation and dedication of the proceeds of such sales tax which would diminish the amount of the sales tax revenues to be received by the governmental entity until all of such bonds shall have been retired as to principal and interest, and there is hereby vested in the owners and
holders from time to time of such bonds a contractual right under the provisions of this Part.

§524. Revenue bonds

A. Any governmental entity, except school boards and school districts, may issue revenue bonds to construct, acquire, extend, or improve any system or work of public improvement. Such bonds may be secured by a mortgage on the lands, buildings, machinery, and equipment so improved as well as by the pledge of the income and revenues derived or to be derived from the system or work of public improvement owned, leased, or operated by such governmental entity, sufficient in amount to pay the principal of and the interest on such bonds as they severally mature, and such bonds and other debt obligations shall not be a charge upon the other income and revenues of the governmental entity as prohibited under the provisions of Article VI, Section 37 of the Constitution of Louisiana. Any project or undertaking by any such governmental entity from which revenue is or will be derived, whether by lease, rents, fees, charges, or otherwise, shall be considered a revenue-producing work of public improvement within the meaning of this Section.

B. Revenue bonds issued under this Section shall mature at such time or times not exceeding thirty years from their respective dates, except that revenue bonds sold exclusively to any governmental agency of the United States may mature at such time or times not exceeding forty years from their respective dates.

C. Revenue bonds issued under this Section shall be payable solely from the revenues derived from the system or work of public improvement, constructed, acquired, extended, or improved with the proceeds thereof, sufficient in amount at all times to meet the required debt service, subject only to prior payment of reasonable and necessary expenses of operating and maintaining such system or work of public improvement. In connection with the construction, acquisition, extension, or improvement of any such
revenue-producing system or work of public improvement, any governmental entity is authorized to accept, receive, receipt for, disburse, and expend federal and state monies and other monies, public or private, whether available by grant or loan, or both, for such purposes. Without creating a charge on such revenues, the governmental entity may, in the proceedings authorizing the issuance of revenue bonds under this Section, provide for the use of other taxes or revenues either for the payment of the required debt service on such revenue bonds, or for the payment of reasonable and necessary expenses of operating and maintaining such system or work of public improvement.

D. The system or work of public improvement shall remain subject to such pledge of revenues or mortgage as may have been authorized by the governing authority under the authority of this Part until the payment in full of the principal and interest on said bonds, and the mortgage or pledge may be foreclosed by seizure and sale of the encumbered property in a manner provided by law for the foreclosure of conventional mortgages including the right to executory process.

E. When any sale of the mortgaged property is held under the provisions of this Section, the purchaser at the sale, and his successor or assigns, shall be vested with any necessary permit and franchise to maintain and operate the property purchased, and to continue to supply to the public the commodities, products, or services previously supplied by the work of public improvement, with the same powers and privileges previously enjoyed by the governmental entity in the operation of said work of public improvement. This franchise shall continue for such period, not exceeding thirty years, as may be fixed by the governing authority in the resolution authorizing the bonds and shall be subject to all statutory limitations pertaining to the granting of permits or franchises.

F. Any proceedings authorizing the issuance of bonds under this Section may provide for creation of a sinking fund into which shall be paid from the pledged revenues of the system or work of public improvement, subject only to
prior payment of the reasonable and necessary expenses of operating and
maintaining the system or work of public improvement, sums sufficient to pay
principal of and interest on such bonds and to create such reserve for
contingencies as may be provided in such proceedings. The monies in the
sinking fund may be applied to the payment of interest on and principal of the
bonds or to the purchase or retirement of the bonds prior to maturity in such
manner as may be provided in the proceedings.

G. The proceedings authorizing the issuance of bonds under this Section
may contain such covenants with the future owners of the bonds as to the
management and operation of the system or work of public improvement, the
imposition and collection of fees and charges for the products, commodities, or
services furnished thereby, the disposition of fees and revenues, the issuance of
future bonds, and the creation of future liens and encumbrances against the
system or work of public improvement and the revenues thereof, the carrying
of insurance on the properties constituting such work of system or work of
public improvement, the disposition of the proceeds of the insurance, and other
pertinent matters, as may be deemed necessary by the governing authority to
assure the marketability of the bonds, provided these covenants are not
inconsistent with the provisions of this Section.

H. When any governmental entity has issued revenue bonds and pledged
the revenues of any system or work of public improvement in whole or in part
for payment thereof, it shall impose and collect fees and charges for the
products, commodities, and services furnished by such system or work of public
improvement, including those furnished to the subdivision itself and its various
agencies and departments, in such amounts and at rates as shall be sufficient at
all times to pay the expenses of operating and maintaining the system or work
of public improvement; provide a sinking fund sufficient to assure the prompt
payment of principal and interest on the bonds as each falls due; provide such
a reasonable fund for contingencies as may be required by the proceedings.
authorizing the bonds or other debt obligation and provide an adequate
depreciation fund for those repairs, extensions, and improvements to the system
or work of public improvement as may be necessary to assure adequate and
efficient service to the public. No board or commission other than the governing
authority of the governmental entity shall have authority to fix or supervise
making of such fees and charges.

I. Notwithstanding the foregoing, a governing authority, in its discretion,
may authorize bonds payable from the revenues to be derived from two or more
systems or works of public improvement owned by the governmental entity, and
bonds may be so issued for the purpose of constructing, acquiring, extending,
or improving any one or more of those systems or works of public
improvements. Any bonds so issued shall be secured in the manner provided in
this Part on the property of such systems or works of public improvement in the
same manner as provided in those instances where bonds are issued payable
from the revenues of one system or work of public improvement only.

J. Revenue bonds shall not be issued under this Section until the
governing authority of the governmental entity has adopted an appropriate
resolution giving notice of its intention to issue such revenue bonds, including
a general description thereof and the security and source of repayment therefor,
and notice of this intention has been published in four consecutive weekly issues
of a newspaper of general circulation in the parish where the governmental
entity is located, setting forth a date and time when the governing authority will
meet in open and public session to hear any objections to the proposed issuance
of such bonds. If at such hearing a petition duly signed by electors of the
governmental entity in a number not less than five percent of the number of
electors voting at the last election held in said governmental entity object to the
issuance of the proposed bonds, then such bonds shall not be issued until
approved by a vote of a majority of the qualified electors of the governmental
entity who vote at a special election held for such purpose in the manner
provided by Chapter 6-A of Title 18 of the Louisiana Revised Statutes of 1950.

Any such petition shall be accompanied by a certificate of the parish registrar of voters certifying that the signers of the petition are registered electors of the governmental entity and the number of signers amount to not less than five percent of the registered electors that voted in the last election held in said governmental entity.

§525. Limited revenue bonds

A. Any governmental entity that is authorized to levy a parcel fee or service charge may anticipate the revenues to be realized from such parcel fee or service charge voted pursuant to provisions of the constitution and laws of Louisiana by borrowing money to be used only for the purpose for which such parcel fee or service charge was voted; however, a governmental entity may not anticipate such revenues for a period that exceeds the remaining number of years for which the parcel fee or service charge, as the case may be, is authorized to be levied. Such a borrowing shall be evidenced by limited revenue bonds of the governmental entity, said limited revenue bonds shall be payable solely from and secured by an irrevocable pledge and dedication of the revenues of such parcel fee or service charge, as the case may be.

B. The principal and interest due in any fiscal year of the governmental entity on such limited revenue bonds shall not exceed seventy-five percent of the revenues estimated to be realized from the levy of such parcel fee or service charge, as the case may be, for the fiscal year in which such limited revenue bonds are issued. In applying the aforesaid test, all revenues estimated to be realized from the levy of the parcel fee or service charge for the fiscal year in which the bonds are issued, regardless of the date on which the revenues are anticipated to be received, will be included in the estimated revenues for such fiscal year.

C. The principal of the limited revenue bonds shall be made due and payable annually not later than March first of each future year in which
principal falls due; provided that such limited revenue bonds shall mature not
later than June first in the year following the last year in which the parcel fee
or service charge, as the case may be, securing the borrowing is authorized to
be levied.

D. Limited revenue bonds issued under this Section are not revenue
bonds within the meaning of Article VI, Section 37 of the Constitution of
Louisiana.

§526. Excess revenue bonds and certificates of indebtedness

A. Any governmental entity may issue excess revenue bonds or
certificates of indebtedness under this Section for the purpose of acquiring,
constructing, extending, or improving any work of public improvement, or for
acquiring movable vehicles or equipment, or for the payment of judgments,
noncapital contractual obligations, or employee benefits.

B. Bonds or certificates of indebtedness issued under this Section shall
be payable out of the revenues of subsequent years, after the payment from such
revenues of:

(1) All charges required by law or regulation.

(2) All contractual obligations.

(3) All necessary and usual charges provided for by ordinance or
resolution.

(4) All payments in respect of bonds for which a pledge or dedication of
specified taxes or revenues has been provided by law or in proceedings
authorizing such bonds, regardless of the date of issue of such bonds.

C. Bonds or certificates of indebtedness issued under this Section shall
have a maximum term not to exceed ten years.

§527. Revenue anticipation notes

Any governmental entity, in order to pay its current expenses for any
fiscal year, may issue revenue anticipation notes for the purpose of anticipating
the revenues for such fiscal year. Such revenue anticipation notes shall mature
not later than three months after the end of the fiscal year of the governmental entity. The amount so borrowed by any governmental entity shall not exceed the estimated income of the governmental entity as shown by the budget adopted prior to such borrowing, and the income collected as shown by the adopted budget shall be dedicated and set aside to the payment of the revenue anticipation notes as they mature.

§528. Bond anticipation notes

A. Any governmental entity may authorize the issuance of bond anticipation notes in one or more series in anticipation of the issuance of bonds which it has duly and lawfully authorized. The proceeds of the sale of such notes, exclusive of accrued interest, shall be used for the purpose of paying capitalized interest on such notes for renewing the principal amount of previously issued bond anticipation notes, and for the purpose for which the anticipated bonds were authorized.

B. Bond anticipation notes shall be payable in principal from the proceeds of the sale of the duly authorized bonds, from the sale of additional bond anticipation notes, from revenue sources from which the anticipated bonds securities are payable when issued, or from other lawfully available funds. Interest on bond anticipation notes may be capitalized and paid from the proceeds of the issue, paid from the revenue source from which the anticipated bonds are payable when issued, or paid from other lawfully available funds.

C. The total amount of bond anticipation notes issued and outstanding at any one time shall not exceed the principal amount of authorized bonds in anticipation of which the bond anticipation notes were issued.

§529. Grant anticipation notes

A. A governmental entity may issue a grant anticipation note or notes in anticipation of and upon the security of specified accounts receivable from the state or the federal government, including without limitation, grants, loans, or a combination of both, for which the governing authority of the governmental
entity finds and determines that funds have been appropriated and committed
to the governmental entity.

B. Grant or loan funds from the state or federal government for any
construction and improvement for which the governmental entity is authorized
to expend moneys shall be pledged for the payment of the note or notes and the
interest thereon. The note or notes and the interest thereon shall be a first lien
upon and charge against such grant or loan funds. Any notes issued pursuant
to this Section, to the extent not paid from grant or loan funds of the
governmental entity pledged for the payment thereof, at the discretion of the
governing authority of the governmental entity, may be paid as to principal and
interest from any taxes, income, revenue, cash receipts, or other monies of the
governmental entity lawfully available therefor and in accordance with the
provisions provided therefor in the resolution or ordinance authorizing their
issuance.

C. The proceeds of grant anticipation notes may be used and expended
by the governmental entity solely for the purpose for which the grant or loan is
to be received or for the retirement of the notes, except that income from the
investment of such proceeds may be used to pay costs associated with the facility
or improvements being financed from such grant or loan.

D. No grant anticipation note shall be issued if the grant or loan to be
received is for the construction of a facility or work of public improvement
unless the grant or loan agreement is in existence at the time of issuance of the
grant anticipation note.

E. Grant anticipation notes issued under this Section shall be payable not
later than five years after the date of issue.

F. No grant anticipation note or notes shall be issued by a governmental
entity pursuant to this Section in an amount which, when added to the amount
of any other such type note or notes outstanding at the time and issued in
anticipation of the same grant or loan, shall exceed ninety-five percent of the
grant or loan funds committed and appropriated to the governmental entity by
the granting or loaning authorities and payable within a thirty-six month period
from the date of issuance of such note or notes then being issued.

§530. Assessment certificates

Governmental entities are authorized to issue bonds to finance works of
public improvement secured by local or special assessments imposed pursuant
to the provisions of Article VI, Section 36 of the Constitution of Louisiana. The
certificates shall be issued in accordance with the procedures set forth in
Subpart A or Subpart B of Part I of Chapter 7 of Title 33 of the Louisiana
Revised Statutes of 1950.

§531. Refunding bonds

A. In addition to any other authority therefor, any governmental entity
is authorized to issue refunding bonds for the purpose of refunding, readjusting,
restructuring, refinancing, extending, or unifying the whole or any part of its
outstanding bonds in an amount sufficient to provide the funds necessary to
effectuate the purpose for which the refunding bonds are being issued and to
pay all costs associated therewith. Refunding bonds may be issued as part of a
multi-purpose issue.

B. Notwithstanding any general obligation debt limit established by law,
general obligation refunding bonds may be issued to refund outstanding general
obligation bonds at the same or at a lower effective rate of interest in
accordance with Article VI, Section 33(A) of the Constitution of Louisiana
without the necessity of further voter approval, provided that the term of the
outstanding bonds refunded shall not be extended and the principal and interest
payments on the refunding bonds is less in each calendar year than the principal
and interest in such calendar year on the outstanding bonds being refunded.

C. Refunding bonds issued to refund any bonds other than general
obligation bonds may be secured in the same manner as the bonds being
refunded or may be secured in such other manner as may be prescribed by the
governing authority of the governmental entity. If refunding bonds issued under
this Subsection are proposed to be additionally secured by the full faith and
credit of the governmental entity then they must be authorized at an election
held by the governmental entity in accordance with the requirements of the
constitution and laws of Louisiana pertaining to elections for the issuance of
general obligation bonds.

D. The refunded bonds shall not be considered outstanding for the
purpose of debt limitation laws restricting the amount of bonds that may be
issued by any governmental entity.

SUBPART C. TRANSITIONAL PROVISIONS

§541. Transitional provisions

In order to provide for an orderly transition for governmental entities
that have previously authorized or issued indebtedness under prior bond laws,
the following provisions shall apply:

A. Capitalized terms used in this Section shall have the meanings
ascribed thereto by R.S. 39:503.

B. General obligation bonds previously authorized to be issued or
actually issued by a governmental entity under Subpart A of Part III of Chapter
4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, shall be
issued or deemed to have been issued under the laws enacted by Subpart A of
this Part, and particularly R.S. 39:521.

C. Limited tax bonds previously authorized to be issued or actually
issued by a governmental entity under R.S. 17:98 or R.S. 39:742.2, and bonds
secured solely by the pledge of a general alimony tax issued under R.S. 39:1430
shall be issued or deemed to have been issued under the laws enacted by
Subpart A of this Part, and particularly R.S. 39:522.

D. Sales tax bonds previously authorized to be issued or actually issued
by a governmental entity under Subpart F of Part III of Chapter 4 of Subtitle
II of Title 39 of the Louisiana Revised Statutes of 1950 shall be issued or deemed

Coding: Words which are struck through are deletions from existing law; words in boldface type and underscored are additions.
to have been issued under the laws enacted by Subpart A of this Part, and particularly R.S. 39:523.

E. Revenue bonds previously authorized to be issued or actually issued by a governmental entity under Part VII or Part XIII of Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950 shall be issued or deemed to have been issued under the laws enacted by Subpart A of this Part, and particularly R.S. 39:524.

F. Bonds previously authorized to be issued or actually issued by a governmental entity under R.S. 39:1430 and secured solely by the pledge of a parcel fee or service charge shall be issued or deemed to have been issued under the laws enacted by Subpart A of this Part, and particularly R.S. 39:525.

G. Revenue anticipation notes authorized to be issued or actually issued by a governmental entity under R.S. 39:741, et seq. shall be issued or deemed to have been issued under the laws enacted by Subpart A of this Part, and particularly R.S. 39:527.

H. Bond anticipation notes authorized to be issued or actually issued by a governmental entity under Chapter 14-B of Subtitle III of Title 39 of the Louisiana Revised Statutes of 1950 shall be issued or deemed to have been issued under the laws enacted by Subpart A of this Part, and particularly R.S. 39:528.

I. Grant anticipation notes authorized to be issued or actually issued by a governmental entity under Chapter 18 of Subtitle III of Title 39 of the Louisiana Revised Statutes of 1950 shall be issued or deemed to have been issued under the laws enacted by Subpart A of this Part, and particularly R.S. 39:529.

J. Refunding bonds authorized to be issued or actually issued by a governmental entity under Chapter 14-A of Subtitle III of Title 39 of the Louisiana Revised Statutes of 1950 shall be issued or deemed to be issued under the laws enacted by Subpart A of this Part, and particularly R.S. 39:530.
K. Bonds previously approved by the State Bond Commission shall not require any additional or supplemental approval of the State Bond Commission merely by virtue of being issued under the alternative authority of Subpart A of this Part, provided that the source of repayment of such bonds is substantially the same and such bonds are issued within the same parameters and for the same purposes approved by the State Bond Commission.


Section 3. The provisions of Sections 1 and 3 of this Act shall become effective on July 1, 2018; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on July 1, 2018, or on the day following such approval by the legislature, whichever is later. The provisions of Section 2 of this Act shall become effective on January 1, 2019.
The purpose of proposed 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. Proposed law retains present law.

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

Proposed law defines "bond", "costs of issuance", "credit enhancement", "financial products agreement", "general alimony tax", "governing authority", "governmental entity", "state", and "total assessed value" for purposes of proposed law.

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

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

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

Proposed 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.

Proposed 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.

Proposed law contains transitional provisions in order to provide for an orderly transition for governmental entities that have previously authorized or issued indebtedness under prior bond laws.

Sections 1 and 3 are effective July 1, 2018; Section 2 is effective January 1, 2019.