

Regular Session, 2010

SENATE BILL NO. 395

BY SENATOR N. GAUTREAUX

RAILROADS. Creates a railroad district encompassing Vermilion and Iberia parishes.
(8/15/10)

1 AN ACT
2 To enact Subpart G of Part IV of Chapter 1 of Title 33 of the Louisiana Revised Statutes of
3 1950, to be comprised of R.S. 33:140.110 through 140.118, relative to railroad
4 districts; to provide for the district's boundaries in Vermilion and Iberia parishes and
5 for purpose, governance, and funding; to provide relative to the district's governing
6 board's powers and duties; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. Subpart G of Part IV of Chapter 1 of Title 33 of the Louisiana Revised
9 Statutes of 1950, to be comprised of R.S. 33:140.110 through 140.118 is hereby enacted to
10 read as follows:

11 **§140.110. Vermilion and Iberia Railroad Development District; creation;**
12 **territorial jurisdiction**

13 **A. The agricultural industry constitutes a significant element in the**
14 **state's economy. In order to expand the state's economic base and to retain farm**
15 **jobs, it is necessary that the state encourage and support the development of**
16 **railroads. The Vermilion and Iberia Railroad Development District, hereinafter**
17 **referred to as the "district," is hereby created and is declared to be a body**

1 politic and political subdivision of the state of Louisiana, as defined in Article
2 VI, Section 44 of the Constitution of Louisiana. Pursuant to Article VI, Section
3 19 and 21 of the Constitution of Louisiana, the district, acting through its board
4 of commissioners, the governing authority of said district, is hereby granted all
5 of the rights, powers, privileges, and immunities granted all of the rights,
6 powers, privileges, and immunities granted to political subdivisions for
7 economic development purposes, including but not limited to the power of
8 taxation, the power to incur debt and issue revenue and general obligation
9 bonds, certificates of indebtedness, bond and certificate anticipation notes, and
10 refunding bonds, subject to the limitations hereinafter provided.

11 B. The district created pursuant hereto shall be established for the
12 primary object and purpose of promoting and encouraging development of the
13 rail service running between Vermilion and Iberia parishes, to stimulate the
14 economy through renewed commerce, industry, and for the utilization and
15 development of natural and human resources of the area by providing job
16 opportunities.

17 C. The boundaries of the district shall be coterminous with the
18 boundaries of Vermilion and Iberia parishes.

19 §140.111. Board of commissioners; members, officers, agents and employees

20 A.(1) Governance. In order to provide for the orderly development of the
21 district and effectuation of the purposes of the district, the district shall be
22 administered and governed by a board of five commissioners, each of whom
23 shall be a qualified voter of the district and who shall be appointed as follows:

24 (a) Two members shall be appointed by the governing authority of the
25 parish of Vermilion. At least one of such members shall have a bachelor's
26 degree in agricultural science.

27 (b) Two members shall be appointed by the governing authority of the
28 parish of Iberia. At least one of such members shall have a bachelor's degree
29 in agricultural science.

1 (c) One member shall be appointed by the Twin Port Commission,
2 subject to confirmation by the senators whose districts encompass the parishes
3 of Vermilion and Iberia. Such member shall have a bachelor's degree in
4 engineering.

5 (2)(a) Members of the board shall serve three-year terms after initial
6 terms as provided in this Subparagraph. One such member shall serve an initial
7 term of one year; two members shall serve an initial term of two years; and two
8 members shall serve an initial term of three years, all as determined by lot at
9 the first meeting of the board. Members shall serve until their successors have
10 been appointed and qualified.

11 (b) Any vacancy which occurs prior to the expiration of the term for
12 which a member of the board has been appointed shall be filled for the
13 remainder of the unexpired term in the same manner as the original
14 appointment.

15 (c) The commissioners shall elect from their membership a chairman,
16 vice chairman, secretary-treasurer, and such other officers as they may deem
17 necessary. The board shall hold at least one regular meeting each month for the
18 purpose of transacting business of the district.

19 (d) Board members shall serve without compensation. However, the
20 board may authorize per diem for its members in the performance of their
21 official duties. The per diem shall not exceed one hundred dollars for attending
22 meetings of the board for a maximum of twelve meetings per year. Per diem
23 paid pursuant to this Section shall be paid out of the district funds in the hands
24 of the treasurer.

25 (e) A majority of the membership of the board shall constitute a quorum
26 for the transaction of business.

27 (f) The board of commissioners shall prescribe rules to govern its
28 meetings, shall hold meetings in the city and parish as may be designated by the
29 board within either Vermilion and Iberia parishes, and may contract with and

1 employ attorneys, clerks, engineers, deputy commissioners, superintendents,
2 and other agents and employees and shall fix their compensation and terms of
3 employment.

4 (g) A board member or employee of a district may not be pecuniarily
5 interested, directly or indirectly, in any contract or agreement to which the
6 district is a party.

7 **§140.112. Powers of district**

8 **A. The district, acting by and through its board of commissioners, shall**
9 **have and exercise all powers of a political subdivision necessary or convenient**
10 **for the carrying out of its objects and purposes, including, but not limited to,**
11 **rights and powers set out in this Subpart:**

12 **(1) To sue and be sued.**

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

14 **(3) To acquire by gift, grant, expropriation, purchase, or otherwise all**
15 **property, including rights-of-way; to hold and use any franchise or property,**
16 **real, personal, or mixed, tangible or intangible, or any interest therein,**
17 **necessary or desirable for carrying out the objects and purposes of the district,**
18 **including, but not limited to, the establishment, maintenance, and operation of**
19 **a railroad.**

20 **(4) To enter into contracts for the purchase, acquisition, construction,**
21 **and improvement of works and facilities necessary in connection with the**
22 **purposes of the district.**

23 **(5) In its own name and on its own behalf to incur debt and to issue**
24 **general obligation bonds, revenue bonds, certificates, notes, and other evidences**
25 **of indebtedness and to levy and cause to be collected ad valorem taxes as**
26 **provided in this Subpart and as may be provided by general law.**

27 **(6) To require and issue licenses with respect to its properties and**
28 **facilities.**

29 **(7) To regulate the imposition of fees and rentals charged by the district**

1 for its facilities and services rendered by it.

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

4 (9) To appoint officers, agents, and employees, prescribe their duties, and
5 fix their compensation.

6 §140.113. Railroad development

7 A.(1) The district shall have the power to construct and acquire railroad
8 tracks, railway spurs, rail yards, and subordinate and related facilities,
9 including the acquisition of sites and other necessary property or appurtenances
10 thereto within the district, or outside the district if the project is undertaken
11 conjointly with other local units of government, under the authority of the local
12 services law, R.S. 33:1321, et seq., or other authorizing authority, and to
13 acquire, construct, improve, operate, maintain, and provide improvements and
14 services necessary therefor, including but not limited to roads, street lighting,
15 bridges, rail facilities, drainage, and other utilities and related properties.

16 (2) The district shall also have the authority to sell, lease, or otherwise
17 dispose of, by suitable and appropriate contract, to any enterprise locating or
18 existing within the district all or any part of a site, building, or other property
19 owned by the district. In determining the consideration for any contract to
20 lease, sell, or otherwise dispose of lands, buildings, or other property of the
21 district, the board of commissioners may take into consideration the value of the
22 lands, buildings, or other properties involved as well as the potential value of
23 the economic impact of the enterprise being induced to locate or expand within
24 the district. Such economic impact shall include increased employment,
25 increased use of local labor, wages and salaries to be paid, consumption of local
26 materials, products, and resources, and special tax revenues to be generated by
27 the enterprise acquiring or leasing lands, buildings, or other property from the
28 district. In no event, however, and under no circumstances shall the board
29 dispose of any property of the district for less than the fair market value of the

1 property as defined in R.S. 47:2321, without the prior approval of the State
2 Bond Commission. The district shall be empowered to enter into leases having
3 a term, including all renewal terms, not to exceed fifty years in the aggregate.
4 The approval of the State Bond Commission shall be conclusive for purposes of
5 compliance with the requirements of this Paragraph.

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

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

24 (1) To acquire, whether by purchase, expropriation, exchange, gift, lease,
25 or otherwise, and to construct and improve, maintain, equip, and furnish one
26 or more railway development projects, including all real and personal
27 properties which the board of commissioners may deem necessary in connection
28 therewith.

29 (2) To lease or to contract for the use of any or all of its authorized

1 projects and to charge and collect rent, fees, or charges therefor, and to
2 terminate any such lease or contractual arrangement upon the failure of the
3 lessee or contracting party to comply with any of the obligations thereof all as
4 may be provided for in the lease agreement to which the district may become
5 a party.

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

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

18 (5)(a) To enter into any cooperative financing associated with railroad
19 development between or among the district and the state, any of its local
20 governmental subdivisions, political corporations or public benefit
21 corporations, the United States or its agencies, or any public or private
22 association, corporation, or individual.

23 (b) To enter into any cooperative development between or among the
24 district and the state, any of its local governmental subdivisions, political
25 corporations or public benefit corporations, the United States or its agencies
26 under the Railroad Revitalization and Regulatory Act, or any public or private
27 association, corporation, or individual. Said methods of cooperative
28 development shall include, but not be limited to, any number of joint
29 development agreements and cooperative ownership, limited partnerships, and

1 investment syndicates not prohibited by the Constitution of Louisiana.
2 Regardless of the method of financing, the district shall attempt to obtain the
3 most favorable arrangement available in order to protect and ensure economic
4 development and the railway system.

5 §140.114. Fees and ad valorem tax; borrowing money

6 A. The board of commissioners may, when necessary, levy annually an
7 ad valorem tax not to exceed five mills on the dollar of assessed valuation of all
8 property, provided that the amount, term, and purpose of said tax, as set out in
9 a proposition submitted to a vote in accordance with the Louisiana Election
10 Code, shall be approved by a majority of the qualified electors voting in a
11 special election held for that purpose. The millage shall be resubmitted for voter
12 reapproval every tenth year.

13 B. All funds derived under this Section may be used only for expenses or
14 specified purposes of the district. A certain percentage of all funds derived
15 under this Section, to be determined by the board, shall be set aside and used
16 exclusively for maintenance. The board of commissioners shall establish and
17 maintain, in addition to all necessary and normal accounts, the following special
18 accounts:

19 (1) A railroad development operational fund, for the attraction of
20 railroad development to accomplish the following:

21 (a) The operational fund shall be used for operating expenses necessary
22 in promotion of industrial and commercial development of the railway system
23 between the parishes of Vermilion and Iberia in hiring sufficient staff to
24 accomplish the purposes set out in this Subpart, and other related expenses.

25 (b) The operational fund may also be utilized in contracting for services
26 as may be required by the district including, but not limited to: planning
27 assistance, surveys, land use studies, technical services, and other services
28 necessary to effectuate a unified railroad development plan.

29 (2) An account for the maintenance and operation of a railway

1 promotional and advancement center to provide necessary information to
2 companies and individuals engaged in providing services and goods to help
3 identify potential customers and aid and assist the customers and user
4 companies in developing and transporting their products or services.

5 §140.115. Obligations of the district

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

10 B.(1) The district may in its own name and behalf incur debt and issue
11 general obligation ad valorem property tax secured bonds under the authority
12 of and subject to the provisions of Article 6, Section 33 of the Constitution of
13 Louisiana, Subpart A of Part III of Chapter 4 of Subtitle II of Title 39 of the
14 Louisiana Revised Statutes of 1950, when approved by a majority of the
15 qualified voters who vote in a special election called and conducted under the
16 authority of the Louisiana Election Code, including Chapter 6-A of Title 18 of
17 the Louisiana Revised Statutes of 1950, as amended. General obligation bonds
18 of the district may be issued for any of the purposes for which the district is
19 created or is authorized to act under any provisions of this Subpart, all of which
20 purposes are hereby found and declared to be public purposes and functions of
21 the state of Louisiana, which are delegated to the district.

22 (2) The district may in its own name and behalf issue revenue bonds for
23 the purposes for which the district is created or is authorized to act under any
24 of the provisions of this Subpart, including railroad rehabilitation and
25 improvement revenue bonds. Said bonds shall be issued in the manner as
26 provided for in R.S. 39:991 through 1001 and R.S. 39:1011 through 1024.

27 (3) The district may in its own name and behalf borrow from time to
28 time in the form of certificates of indebtedness. The certificates shall be secured
29 by the dedication and pledge of moneys of the district derived from any lawful

1 sources, including fees, lease rentals, service charges, local service agreement
2 payments from one or more other contracting parties the avails of ad valorem
3 property taxation, or any combination of such sources of income, provided that
4 the term of such certificates shall not exceed ten years and the annual debt
5 service on the amount borrowed shall not exceed the anticipated revenues to be
6 dedicated and pledged to the payment of the certificates of indebtedness, as
7 shall be estimated by the board of commissioners of the district at the time of
8 the adoption of the resolution authorizing the issuance of such certificates. The
9 estimate of the board of commissioners referred to in the authorizing resolution
10 shall be conclusive for all purposes of this Section.

11 (4) The district may borrow the amount of the anticipated ad valorem
12 tax, not to exceed five mills, authorized by R.S. 33:140.75 for a period of not to
13 exceed ten years and may issue certificates of indebtedness therefor and may
14 dedicate the avails of the tax funded for the payment thereof for the period of
15 time said certificates are outstanding.

16 (5) The board of commissioners, as the governing authority of the
17 district, is authorized to adopt all necessary resolutions or ordinances which
18 may be necessary for ordering, holding, canvassing, and promulgating the
19 returns of any election required for the issuance of general obligation bonds, or
20 limited tax secured obligations or for the voting of a property tax millage, which
21 resolutions or ordinances may include covenants for the security and payment
22 of any bonds or other evidence of debt so issued.

23 (6) For a period of thirty days from the date of publication of any
24 resolution or ordinance authorizing the issuance of any bonds, certificates of
25 indebtedness, notes, or other evidence of debt of the district, any interested
26 person may contest the legality of such resolution or ordinance and the validity
27 of such bonds, certificates of indebtedness, notes, or other evidence of debt
28 issued or proposed to be issued thereunder and the security of their payment,
29 after which time no one shall have any cause of action to contest the legality of

1 said resolution or ordinance or to draw in question the legality of said bonds,
2 certificates of indebtedness, notes, or other evidence of debt, the security
3 therefor, or the debts represented thereby for any cause whatever, and it shall
4 be conclusively presumed that every legal requirement has been complied with,
5 and no court shall have authority to inquire into such matters after the lapse of
6 thirty days.

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

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

13 **§140.116. Competitive Bids**

14 A contract in the amount of more than fifteen thousand dollars for the
15 construction of improvements or the purchase of material, machinery,
16 equipment, supplies, or any other property except real property may only be let
17 on competitive bids after notice published, at least fifteen days before the date
18 set for receiving bids, in a newspaper or general circulation in the district. A
19 board may adopt rules governing the taking of bids and the awarding of
20 contracts. This section does not apply to the acquisition of existing rail
21 transportation systems.

22 **§140.117. Exempt from taxation**

23 The property, revenues, and income of the district and the interest on
24 bonds and notes issued by a district shall be exempt from taxation levied by the
25 state or a political subdivision of the state.

26 **§140.118. Financial Report**

27 The district shall prepare a financial report annually which shall be
28 presented to the legislative auditor in such a manner and form as the auditor
29 may prescribe. The auditor shall thereafter publish his findings in the district's

1 **official journal. All expenses associated with this Section shall be borne by the**
2 **district.**

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

DIGEST

Proposed law creates and provides for the Vermilion and Iberia Railroad Development District. Provides that the primary object and purpose of the district is for the promoting and encouraging development of the rail service running between Vermilion and Iberia parishes to stimulate the economy through renewed commerce, 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 shall be coterminous with the boundaries of Vermilion and Iberia parishes.

Proposed law provides that the district shall be administered and governed by a board of five commissioners, each of whom shall be a qualified voter of the district and who shall be appointed as follows:

- (a) Two members shall be appointed by the governing authority of the parish of Vermilion. At least one of these members shall have a bachelor's degree in agricultural science.
- (b) Two members shall be appointed by the governing authority of the parish of Iberia. At least one of these members shall have a bachelor's degree in agricultural science.
- (c) One member shall be appointed by the Twin Port Commission, subject to confirmation by the senators whose districts encompass the parishes of Vermilion and Iberia. This member must also have a bachelor's degree in engineering.

Proposed law provides that board members shall serve without compensation. However, the board may authorize per diem for its members in the performance of their official duties. The per diem shall not exceed \$100.00 for attending meetings of the board for a maximum of 12 meetings per year. Per diem paid shall be paid out of the district funds in the hands of the treasurer.

Proposed law provides that the board of commissioners shall prescribe rules to govern its meetings, shall hold meetings in the city and parish as may be designated by the board within either Vermilion and Iberia parishes, and may contract with and employ attorneys, clerks, engineers, deputy commissioners, superintendents, and other agents and employees and shall fix their compensation and terms of employment.

Proposed law provides that a board member or employee of a district may not be pecuniarily interested in any contract or agreement to which the district is a party.

Proposed law provides the district shall have and exercise all powers of a political subdivision necessary or convenient for the carrying out of its objects and purposes, which include, but are not limited to, the following:

- (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 a railroad.
- (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 ad valorem 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.

Proposed law provides that the district shall have the power to construct and acquire railroad tracks, railway spurs, rail yards, and subordinate and related facilities, including the acquisition of sites and other necessary property or appurtenances thereto within the district, or outside the district if the project is undertaken conjointly with other local units of government, under the authority of the local services law, or other authorizing authority, and to acquire, construct, improve, operate, maintain, and provide improvements and services necessary, including but not limited to roads, street lighting, bridges, rail facilities, drainage, and other utilities and related properties.

Proposed law provides that the district shall 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.

Proposed law provides that the resolution or ordinance adopted by the board of commissioners authorizing any lease, sale, or other disposition of lands, buildings, or other property of the district or any attachment thereto shall set forth, in a general way, the terms of the authorized lease, sale, or other disposition, and such resolution or ordinance shall be published as soon as possible in one issue of the official journal of the district. For a period of 30 days from the date of publication of any such resolution or ordinance, any interested person may contest the legality of such resolution or ordinance or the validity of the authorized lease, sale, or other disposition of district property, after which time no one shall have any cause of action to contest the legality of said resolution or ordinance or to draw in question the legality of the authorized lease, sale, or other disposition of district property for any cause whatsoever, and it shall be conclusively presumed thereafter that every legal requirement has been complied with and no court shall have authority to inquire into such matters after the lapse of 30 days.

Proposed law provides that the district shall have the following additional powers, together with all powers incidental thereto or necessary for the performance of those hereinafter stated:

- (1) To acquire, whether by purchase, expropriation, exchange, gift, lease, or otherwise, and to construct and improve, maintain, equip, and furnish one or more railway

development projects, including all real and personal properties which the board of commissioners may deem necessary in connection therewith.

- (2) To lease or to contract for the use of any or all of its authorized projects and to charge and collect rent, fees, or charges therefor, and to terminate any such lease or contractual arrangement upon the failure of the lessee or contracting party to comply with any of the obligations thereof all as may be provided for in the lease agreement to which the district may become a party.
- (3) To sell, exchange, donate, and convey any or all of its projects upon such terms and conditions as the board of commissioners may deem advisable, including the power to receive for any such sale the first mortgage note or notes of the purchaser of a project representing unpaid installments of the purchase price due by the purchaser to the district whenever the board of commissioners finds any such actions to be in furtherance of the purposes for which the district was organized.
- (4) As security for the payment of the principal of and interest on any bonds, notes or other obligations of the district and any agreements made in connection therewith, to mortgage and pledge any or all of its projects or any part or parts thereof, whether then owned or thereafter acquired, and to pledge the revenues and receipts therefrom or from any other source.
- (5) To enter into any cooperative financing associated with railroad development between or among the district and the state, any of its local governmental subdivisions, political corporations or public benefit corporations, the United States or its agencies, or any public or private association, corporation, or individual.
- (6) To enter into any cooperative development between or among the district and the state, any of its local governmental subdivisions, political corporations or public benefit corporations, the United States or its agencies under the Railroad Revitalization and Regulatory Act, or any public or private association, corporation, or individual.

Proposed law provides that the board of commissioners may, when necessary, levy annually an ad valorem tax not to exceed five mills on the dollar of assessed valuation of all property, provided that the amount, term, and purpose of said tax, as set out in a proposition submitted to a vote in accordance with the Louisiana Election Code, shall be approved by a majority of the qualified electors voting in a special election held for that purpose. The millage shall be resubmitted for voter reapproval every 10th year.

Proposed law provides that funds derived under this proposed law may be used only for expenses or specified purposes of the district. A certain percentage of all funds derived, to be determined by the board, shall be set aside and used exclusively for maintenance. The board of commissioners shall establish and maintain, in addition to all necessary and normal accounts, the following special accounts:

- (1) A railroad development operational fund.
- (2) An account for the maintenance and operation of a railway promotional and advancement center.

Proposed law provides that the district shall have authority to incur debt for any one or more of its lawful purposes, 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:

- (1) The district may in its own name and behalf incur debt and issue general obligation ad valorem property tax secured bonds.

- (2) 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.
- (3) The district may in its own name and behalf borrow from time to time in the form of certificates of indebtedness.
- (4) The district may borrow the amount of the anticipated ad valorem tax, not to exceed five mills, for a period of not to exceed ten years and may issue certificates of indebtedness therefor and may dedicate the avails of the tax funded for the payment thereof for the period of time said certificates are outstanding.
- (5) The board of commissioners, is authorized to adopt all necessary resolutions or ordinances which may be necessary for ordering, holding, canvassing, and promulgating the returns of any election required for the issuance of general obligation bonds, or limited tax secured obligations or for the voting of a property tax millage, which resolutions or ordinances may include covenants for the security and payment of any bonds or other evidence of debt so issued.
- (6) For a period of 30 days from the date of publication of any resolution or ordinance authorizing the issuance of any bonds, certificates of indebtedness, notes, or other evidence of debt of the district, any interested person may contest the legality of such resolution or ordinance and the validity of such bonds, certificates of indebtedness, notes, or other evidence of debt issued or proposed to be issued thereunder and the security of their payment, after which time no one shall have any cause of action to contest the legality of said resolution or ordinance or to draw in question the legality of said bonds, certificates of indebtedness, notes, or other evidence of debt, the security therefor, or the debts represented thereby for any cause whatever, and it shall be conclusively presumed that every legal requirement has been complied with, and no court shall have authority to inquire into such matters after the lapse of 30 days.
- (7) The issuance and sale of such bonds, certificates of indebtedness, notes or other evidence of debt by the district shall be subject to approval by the State Bond Commission.
- (8) Such bonds, certificates of indebtedness, notes, or other evidence of debt shall have all the qualities of negotiable instruments under the commercial laws of the state of Louisiana.

Proposed law provides that a contract in the amount of more than \$15,000 for the construction of improvements or the purchase of material, machinery, equipment, supplies, or any other property except real property may only be let on competitive bids after noticed published, at least 15 days before the date set for receiving bids, in a newspaper or general circulation in the district. A board may adopt rules governing the taking of bids and the awarding of contracts. Proposed law does not apply to the acquisition of existing rail transportation systems.

Proposed law provides that the property, revenues, and income of the district and the interest on bonds and notes issued by a district shall be exempt from taxation levied by the state or a political subdivision of the state.

Proposed law provides that the district shall prepare a financial report annually which shall be presented to the legislative auditor in such a manner and form as the auditor may prescribe. The auditor shall thereafter publish his findings in the district's official journal.

Effective August 15, 2010.

(Adds R.S. 33:140.110 through 140.118)