

Regular Session, 2014

HOUSE BILL NO. 267

BY REPRESENTATIVE PONTI

ECONOMIC DEVELOPMENT: Removes requirements of the State Board of Commerce and Industry and the secretary of the Department of Economic Development to approve the issuance of certain bonds

1 AN ACT

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

6 Be it enacted by the Legislature of Louisiana:

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

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

11 Any parish, ward, or municipality of this state, in order to encourage the
12 location of or addition to industrial enterprises therein, may incur debt and issue
13 negotiable bonds under the provisions of and in accordance with the existing laws
14 relating to incurring debt and issuing bonds, and may use the funds derived from the
15 sale of such bonds, which shall not be sold for less than par or bear a greater rate of
16 interest than that authorized in Act No. 19 of the First Extraordinary Session of 1975,
17 [R.S. 39:1421 to 39:1426], as the same now exists or may be hereafter amended,
18 payable annually or semiannually, to acquire industrial plant sites and other

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

1 industrial enterprises in an adjoining area or area outside the corporate limits of the
2 municipality but within the parish in which the municipality is located.

3 * * *

4 §997. Approval by ~~state bond and tax board and board of commerce and industry~~
5 State Bond and Tax Board; validation; interest rates

6 A. Before incurring debt and issuing bonds to carry out any plans to
7 encourage the location of or additions to an industrial enterprise, the State Bond and
8 Tax Board ~~and Board of Commerce and Industry or their successors~~ or its successor
9 in function, shall certify ~~their~~ its approval of any proposed contract between the
10 municipality and the industrial enterprise to be aided, encouraged or benefited. The
11 maximum interest rate at which bonds may be issued under this Part shall not exceed
12 the maximum rate for conventional interest fixed by the Louisiana Civil Code.

13 * * *

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

15 §1157.1. Approval by State Bond Commission ~~and Secretary of Economic~~
16 Development

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

21 Section 3. This Act shall become effective on July 1, 2014; if vetoed by the governor
22 and subsequently approved by the legislature, this Act shall become effective on July 1,
23 2014, or on the day following such approval by the legislature, whichever is later.

DIGEST

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

Ponti

HB No. 267

Abstract: Removes requirements of the State Board of Commerce and Industry and the secretary of the Dept. of Economic Development to approve the issuance of certain bonds.

Present law provides that the State Bond Commission and the State Board of Commerce and Industry or their successors in function shall each certify approval of any proposed contract between the parish, ward, or municipality and industrial enterprise, before the parish, ward, or municipality calls an election to vote on incurring debt and issuing bonds to carry out any plan to encourage the location of or additions to industrial enterprise to be aided, encouraged, or benefited.

Present law further provides that the State Bond and Tax Board and Board of Commerce and Industry or their successors in function shall certify approval of any proposed contract between the municipality and the industrial enterprise before the municipality incurs debt and issues bonds to carry out any plans to encourage the location of or additions to an industrial enterprise to be aided, encouraged, or benefited.

Proposed law deletes the State Board of Commerce and Industry from present law.

Present law provides that any proposed instrument which provides security for the payment of bonds issued by the corporation shall be approved by the State Bond Commission and the secretary of the Dept. of Economic Development.

Proposed law deletes the secretary of the Dept. of Economic Development from present law.

Effective July 1, 2014.

(Amends R.S. 39:551.1 and 997(A) and R.S. 51:1157.1)