

2018 Regular Session

SENATE BILL NO. 496

BY SENATOR WARD

SPECIAL DISTRICTS. Creates regional authority for certain infrastructure needs and provides relative to taxing powers and uses. (gov sig)

1 AN ACT

2 To enact Part VIII of Chapter 2 of Title 48 of the Louisiana Revised Statutes of 1950, to be
3 comprised of R.S. 48:771 through 780, relative to the Capital Area Road and Bridge
4 District; to provide for the territorial jurisdiction of the district; to provide for the
5 appointment and term of the board of commissioners; to provide for meetings of the
6 board of commissioners and the officers thereof; to provide relative to the powers of
7 the district; to authorize the district to levy special taxes, parcel fees, and sales taxes
8 if approved by a majority of the voters in the district; to provide for an effective date;
9 and to provide for related matters.

10 Notice of intention to introduce this Act has been published.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. Part VIII of Chapter 2 of Title 48 of the Louisiana Revised Statutes of
13 1950, comprised of R.S. 48:771 through 780, is hereby enacted to read as follows:

14 **PART VIII. CAPITAL AREA ROAD AND BRIDGE DISTRICT**

15 **§771. Creation of district; territorial jurisdiction**

16 **A. The Capitol Area Road and Bridge District is hereby created as a**
17 **political subdivision of the state of Louisiana for the purpose of raising revenue**

1 to finance road and bridge projects to alleviate traffic congestion in the district.

2 The district shall be comprised of all territories within the geographical
3 boundaries of the parishes of East Baton Rouge, Ascension, Livingston,
4 Iberville, and West Baton Rouge.

5 B. The creation of the district and the carrying out of its public purpose
6 is in all respects public and governmental purposes for the improvement of the
7 health, safety, welfare, comfort, and security of the people of the district, for
8 whom the district will be performing a public obligation in the exercise of the
9 powers conferred upon it by this Part.

10 §772. Definitions

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

14 (1) "Bonds" means any bonds, notes, certificates, or other written
15 contracts or instruments evidencing the obligation to repay borrowed money
16 regardless of the designation thereof.

17 (2) "District" means the Capital Area Road and Bridge District created
18 by this Part.

19 (3) "Road or bridge project" means a project undertaken pursuant to
20 this Part for the construction, development, reconstruction, acquisition,
21 extension, or improvement of works of capital improvements related to public
22 roads, streets, highways, bridges, and associated drainage, the title to which
23 shall be in the public.

24 §773. Appointment and term of board of commissioners

25 A. The management and control of the district shall be vested in a board
26 of commissioners composed of seven members.

27 (1) The secretary of the Department of Transportation and Development
28 or his designee.

29 (2) The president of each parish comprising the district or the president's

1 designee.

2 (3) The governor shall appoint one resident of the district as a member
3 who shall serve at the pleasure of governor.

4 §774. Meetings of board; officers; quorum; removal of commissioners; salaries
5 and expenses

6 A. At the first meeting of the board and annually thereafter, the
7 members shall select a chairman and a secretary from the membership and
8 such other officers as the board deems necessary. Meetings of the commission
9 shall be called by the chairman on his own notice or on request of any five
10 members. A majority of the commissioners shall constitute a quorum to do
11 business.

12 B. In case of the death, resignation, absence, inability, or failure to act
13 of the president, the secretary shall call the board together and the board shall
14 appoint one of their members to serve as acting president, and he shall perform
15 all the duties of president.

16 C. The members of the board shall serve without compensation and shall
17 have the power to fix the duties, powers, and compensation of all officers,
18 agents, and employees of the commission. The district may reimburse any
19 member for expenses actually incurred in the performance of his duties.

20 D. The board of commissioners shall prescribe rules to govern its
21 meetings.

22 §775. Powers of the district

23 A. The district is hereby declared to constitute and is declared to be a
24 body politic and political subdivision of the state of Louisiana, as defined in
25 Article VI, Section 44 of the Constitution of Louisiana. The district shall be
26 subject to and may avail itself of any law relating to political subdivisions
27 generally, including but not limited to the following:

28 (1) To sue and be sued.

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

1 **(3) To initiate or coordinate research, studies, and gathering of**
2 **information on the road and bridge projects, including but not limited to the**
3 **following:**

4 **(a) Engineering studies.**

5 **(b) Traffic flow and pattern studies.**

6 **(c) Environmental impact studies.**

7 **(d) Location of proposed routes.**

8 **(e) Economic development impacts and benefits.**

9 **(f) Utility relocation.**

10 **(g) Right-of-way acquisition.**

11 **(h) Project construction cost/benefit ratio studies.**

12 **(4) To be designated an official depository for information relating to**
13 **and about the road and bridge projects. As such, it is empowered to receive and**
14 **preserve all information gathered by other parties pertaining to the project.**

15 **(5) To receive money from any public or private body which may desire**
16 **to appropriate or donate such funds to be used to defray the expenses of the**
17 **district.**

18 **B.(1) In furtherance of these purposes, the commission is specifically**
19 **authorized to apply for, receive, and accept from any state or federal agency,**
20 **or local subdivision of this state, any grant or contribution of either money,**
21 **property, or other things of value to be held, used, and applied for purposes for**
22 **which such grants and contributions may be made or for any other lawful**
23 **purposes that the commission has expressly authorized in this Part.**

24 **(2) The commission is also specifically authorized to hire such**
25 **accountants, attorneys, engineers, or other professional or scientific or other**
26 **expert advisors as the commission in its discretion may deem necessary or**
27 **advisable in order to carry out its mission. The professionals or scientific or**
28 **other expert advisors shall be compensated by the commission from funds**
29 **available to the commission pursuant to such agreement as may be entered into**

1 by the commission with the hired or trained professionals or scientific or other
2 expert advisors. Neither the state nor any parish located within the boundaries
3 of the district shall in any way be a party to any agreement executed under the
4 provisions of this Paragraph, and neither the state nor any parish located within
5 the boundaries of the district shall in any way be held responsible for payment
6 of compensation under the agreements entered into by the commission.

7 C. The district may create subdistricts as provided in this Subsection.
8 The district shall publish notice of its intent to create a subdistrict in the official
9 journal of the district. At least ten days after publication of such notice in the
10 official journal of the district, the board shall conduct a public hearing on the
11 question of creating such subdistrict. Thereafter, the board may designate one
12 or more project areas within the boundaries of the district as a subdistrict of the
13 district. Each subdistrict shall constitute a political subdivision of the state and
14 shall be governed by the board. Each subdistrict shall have the same powers as
15 the district and shall be given a name and designated as "Capital Area Road
16 and Bridge Subdistrict No. ".

17 D.(1) With respect to the bridge constructed pursuant to this Part, the
18 district shall have all authority granted to parishes to establish, impose, collect,
19 and enforce tools and issue revenue bonds secured by revenue from the tolls as
20 provided in the Bridge Revenue Bond Law.

21 (2) The rate of the tolls provided for in this Subsection shall be fixed and
22 adjusted in connection with any revenue bonds issued to provide a fund
23 sufficient, with other revenue from the bridge, to pay for the following:

24 (a) The cost of maintaining, repairing, and operating the bridge.

25 (b) The principal of and the interest on such bonds as such becomes due
26 and payable and creation of a reserve for these purposes.

27 E. The district may levy taxes, impose parcel fees, and incur debt as
28 otherwise provided by this Part; however, no proposition authorizing taxes,
29 fees, or bonds shall be submitted to the voters of the district or of any

1 subdistrict that does not provide funding for a new Mississippi River Bridge,
2 connectors from Interstate Highway 10 to the bridge on the west side of the
3 Mississippi River, and the connection to and widening of Louisiana Highway 30.

4 F. The district may use revenue available to it to pay costs associated
5 with road or bridge projects which costs may include the following:

6 (1) Costs of studies, surveys, development of plans and specifications,
7 preparation, implementation and administration, personnel and professional
8 services costs for architectural, engineering, legal, marketing, financial,
9 planning, police, fire, public works or other services incurred by the district
10 directly or on behalf of the district. No charges for professional services may be
11 based on a percentage of tax revenues.

12 (2) Property acquisition and assembly costs, including but not limited to
13 acquisition of land and other immovable or movable property or rights or
14 interests therein, incurred by the district directly or on behalf of the district.

15 (3) On and off-site preparation costs, including but not limited to
16 clearance of any area by demolition or removal of any existing buildings,
17 structures, fixtures, utilities, and improvements and clearing and grading and
18 including installation, repair, construction, reconstruction, or relocation of
19 public streets, public utilities, and other public improvements incurred by the
20 district directly or on behalf of the district.

21 (4) Costs of renovation, rehabilitation, relocation, repair, or remodeling
22 of any existing buildings, improvements, and fixtures.

23 (5) Costs of construction of public improvements, including but not
24 limited to buildings, structures, works, utilities, or fixtures, incurred by the
25 district directly or on behalf of the district.

26 (6) Financing costs of the district, including but not limited to all
27 necessary and incidental expenses related to the issuance of obligations,
28 payment of any interest on any obligations which accrues during the estimated
29 period of construction for which such obligations are issued and thereafter, and

1 any reasonable reserves related to the issuance of such obligations.

2 §776. Advice and service of the Department of Transportation and Development

3 The district and the board of commissioners therefor shall have, with
4 respect to all of the powers and functions prescribed by this Part, the advice and
5 services of the Department of Transportation and Development. Within reason,
6 it shall be the duty of the secretary of the Department of Transportation and
7 Development to make available such department staff, expertise, and support
8 as the commission may request.

9 §777. General compliance; enhancement

10 No provision of this Part shall be construed so as to exempt the district
11 from compliance with the provisions of Louisiana laws pertaining to open
12 meetings, public records, fiscal agents, official journals, dual office holding and
13 employment, public bidding for the purpose of supplies and materials, and the
14 Code of Governmental Ethics. The district shall be permitted to use alternative
15 competitive procurement and delivery methods for the award of any contracts
16 for a major road and bridge project.

17 §778. Special taxes

18 A. Pursuant to Article VI, Section 30 of the Louisiana Constitution of
19 1974, the board of commissioners may levy an ad valorem tax or taxes for a
20 term as determined by the board of commissioners, for the purpose of
21 acquiring, constructing, improving, equipping, furnishing, maintaining, or
22 operating any work of public improvement, including both movable and
23 immovable property necessary in connection with road and bridge projects,
24 which shall include a new Mississippi River bridge located within the
25 boundaries of the district.

26 B. For the purpose of providing revenue to carry out the objects
27 contemplated in this Part, the board of commissioners may levy on all property
28 in the district, subject to taxation, an ad valorem tax not to exceed five mills on
29 the dollar of its assessed valuation, as provided by Article VI, Section 19 of the

1 Constitution of Louisiana. The tax may be levied only after the question of its
2 levy has been submitted to the qualified electors of the district or subdistrict at
3 an election held for that purpose and conducted in accordance with the
4 Louisiana Election Code and the majority of those voting in each parish
5 comprising the district or subdistrict have voted in favor of the levy of the tax.

6 C.(1) Subject to the approval of the State Bond Commission, the
7 governing authority of the district shall have the authority to incur debt and
8 issue revenue bonds for the purpose of constructing, acquiring, extending, or
9 improving works of capital improvement related to roads and other similar
10 public works, which shall include a new Mississippi River bridge located within
11 the boundaries of the district.

12 (2) Such bonds shall be authorized and issued in accordance with the
13 provisions of Part XIII of Chapter 4, Chapter 13, and Chapter 13-A, all of Title
14 39 of the Louisiana Revised Statutes of 1950. Such bonds shall be issued in the
15 name of the district and shall not be general obligations of the district,
16 Ascension Parish, East Baton Rouge Parish, Iberville Parish, Livingston Parish,
17 West Baton Rouge Parish, or the state of Louisiana.

18 (3) Such bonds shall be issued by the commission of the district only after
19 authorization by a majority of the electors of the district voting in an election
20 held in accordance with the election laws of the state of Louisiana.

21 §779. Parcel fees

22 A. The district may levy and collect a parcel fee within the boundaries
23 of the district which shall not exceed five hundred dollars per parcel per year.
24 The parcel fee shall be imposed by resolution or ordinance of the board of
25 commissioners of the district only after question of its imposition and its
26 purpose, rate, and duration have been submitted to the qualified electors of the
27 district or subdistrict at an election held for that purpose and conducted in
28 accordance with the Louisiana Election Code and the majority of those voting
29 in each parish comprising the district or subdistrict have voted in favor of the

1 imposition of the parcel fee. The proceeds of such parcel fee shall be expended
2 for road and bridge projects, which shall include a new Mississippi River bridge
3 located within the boundaries of the district, as set forth in the proposition
4 approved by the electors including the payment of any bonds of the district
5 incurred for such purpose. Any parcel fee imposed pursuant to this Section shall
6 be levied and collected and be due and owing annually. The fee may be carried
7 on the tax rolls and collected at the same time as parish or municipal ad
8 valorem taxes.

9 B.(1) If any parcel fee is not paid when due, the district shall proceed
10 against the parcel for the collection of the amount of the fee unpaid and
11 delinquent, any collection costs incurred by the district, plus interest at a rate
12 not exceeding twelve percent on the unpaid amount of the parcel fee, and, in the
13 event legal proceedings are necessary to effect collection, court costs and
14 reasonable attorney fees. However, attorney fees shall be payable by the parcel
15 owner only if demand by the district has been made on the parcel owner by
16 registered or certified mail, and such parcel owner has failed to pay the amount
17 due within ten days after such demand.

18 (2) A judgment obtained for nonpayment of a parcel fee, upon being
19 recorded in the mortgage records of the parish, shall prime all other liens except
20 those for taxes and prior recorded local or special assessments. If there are one
21 or more property mortgages on such parcel and the mortgage holder or holders
22 have notified the tax collector in the appropriate parish of such recorded
23 mortgage or mortgages in accordance with the requirements of R.S. 47:2159,
24 the district, prior to proceeding against such parcel for failure to pay a parcel
25 fee, shall give notice to each mortgagee of the amount of the parcel fee due and
26 owing on such parcel and that such parcel fee must be paid within twenty days
27 after the mailing of the notice or proceedings will be commenced against the
28 parcel. The notice shall be sent to each such mortgage holder by certified mail,
29 return receipt requested, or be made by personal or domiciliary service on such

1 mortgage holder. In the event such notice is given, the district shall not
2 commence such proceedings until at least twenty days after the mailing of such
3 notice.

4 (3) Alternatively, the lien authorized by this Section may be enforced by
5 assessing the amount of the lien against the parcel as a tax against the property.
6 The lien may be collected in the manner fixed for collection of taxes and shall
7 be subject to the same civil penalties for delinquencies. After the district has
8 incurred such costs and expenses as together with any amount of the parcel fee
9 which remains unpaid and delinquent constitute the lien on the property,
10 including any costs of court, attorney fees and interest, the governing authority
11 may send an attested bill of such unpaid amount, costs, and expenses to the tax
12 collector for the parish who shall add the amount of such bill to the next tax bill
13 of the property owner. The lien shall prime all other liens or privileges against
14 the property, except other tax liens, filed after the statement specified in this
15 Section is filed with the recorder of mortgages, regardless of the date on which
16 the lien is perfected.

17 §780. Sales taxes

18 (1) The district may, in accordance with the Subsection, levy and collect
19 a sales and use tax not to exceed one percent within the district. The sales and
20 use tax authorized by this Subsection shall be imposed by ordinance of the
21 district and shall be levied upon the sale at retail, the use, lease or rental,
22 consumption, and the storage for use or consumption of tangible personal
23 property, and on sales of services, all as defined in Chapter 2 of Subtitle II of
24 Title 47 of the Louisiana Revised Statutes of 1950 in the district. The proceeds
25 of the sales tax shall be expended for road and bridge projects, which shall
26 include a new Mississippi River bridge located within the boundaries of the
27 district. The tax may be levied only after the question of its levy has been
28 submitted to the qualified electors of the district or subdistrict at an election
29 held for that purpose and conducted in accordance with the Louisiana Election

1 Code and the majority of those voting in each parish comprising the district or
2 subdistrict have voted in favor of the levy of the tax.

3 (2) The tax shall be in addition to all other authorized sales and use taxes
4 and shall be collected at the same time and in the same manner as set forth in
5 Chapter 2 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950.
6 Any sales and use tax levied by the Capital City Road and Bridge District shall
7 be excluded from the calculation of total sales and use taxes levied within an
8 area for the purposes of R.S. 47:338.54.

9 (3) The tax shall be imposed and collected uniformly throughout the
10 district.

11 (4) The commission may fund the sales tax revenues into bonds in the
12 manner provided by Subpart F of Part III of Chapter 4 of Title 39 of the
13 Louisiana Revised Statutes of 1950. Such bonds may be issued only after the
14 question of their issuance has been submitted to the qualified electors of the
15 district or subdistrict at an election held for that purpose and conducted in
16 accordance with the Louisiana Election Code and the majority of those voting
17 in each parish comprising the district or subdistrict have voted in favor of the
18 issuance of the bonds. The question with respect to the funding of the sales tax
19 revenues into bonds may be voted upon at the election held to authorize the
20 imposition of the sales tax or may be submitted at a separate election held for
21 such purpose. No proceeding, hearing, notice, or approval shall be required for
22 the issuance of any bonds or any instrument as security therefor, except as
23 provided by this Section or by the Constitution of Louisiana.

24 Section 2. This Act shall become effective upon signature by the governor or, if not
25 signed by the governor, upon expiration of the time for bills to become law without signature
26 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
27 vetoed by the governor and subsequently approved by the legislature, this Act shall become
28 effective on the day following such approval.

The original instrument was prepared by Martha Hess. The following digest, which does not constitute a part of the legislative instrument, was prepared by Ann S. Brown.

DIGEST

SB 496 Reengrossed

2018 Regular Session

Ward

Proposed law creates the Capital Area Road and Bridget District as a political subdivision of the state. The district is being created for the purpose of raising revenue to finance road and bridge projects to alleviate traffic congestion. The district shall be comprised of all territories within the geographical boundaries of the parishes of East Baton Rouge, Ascension, Livingston, Iberville, and West Baton Rouge.

Proposed law defines, for purposes of proposed law, "bonds", "district" and "road or bridge project".

Proposed law provides that the management and control of the district shall be vested in a board of commissioners composed of seven members, including the secretary of DOTD or his designee, the president of each of the parishes in the district or their designees, and one gubernatorial appointee who shall be a resident of the district and serve at the pleasure of the governor.

Proposed law provides for meetings of the board, the selection of officers, and quorums.

Proposed law provides for the powers of the district, which include the following:

- (1) To sue and be sued.
- (2) To adopt, use, and alter at will a corporate seal.
- (3) To initiate or coordinate research, studies, and gathering of information on the road and bridge projects.
- (4) To be designated an official depository for information relating to and about the road and bridge projects.
- (5) To receive money from any public or private body which may desire to appropriate or donate such funds to be used to defray the expenses of the district.

Proposed law authorizes the commission to apply for and accept grants or contributions.

Proposed law authorizes the district to create subdistricts. Each subdistrict shall have the same powers as the district and shall be given a name and designated as "Capital Area Road and Bridge Subdistrict No.".

Proposed law requires public notice and public hearings when creating a subdistrict.

Proposed law provides that the districts shall have all authority granted to parishes to establish, impose, collect, and enforce tolls and issue revenue bonds secured by revenue from the tolls as provided in present law.

Proposed law provides for the use of revenue raised for costs associated with road or bridge projects.

Proposed law provides that the commission shall have the advice and service of Dept. of Transportation and Development.

Proposed law provides that the district shall comply with present law pertaining to open meetings, public records, fiscal agents, official journals, dual office holding and employment, public bidding for the purpose of supplies and materials, and the Code of Governmental Ethics.

Proposed law further provides that the district is permitted to use alternative competitive procurement and delivery methods for the award of any contracts for a major road and bridge project.

Proposed law regarding financing of road and bridge projects, authorizes the district to:

- (1) Levy ad valorem taxes not to exceed 5 mills.
- (2) Issue bonds.
- (3) Impose a parcel fee not to exceed an annual fee of \$500 per parcel.
- (4) Levy a sales and use tax not to exceed 1%.

Proposed law provides that the levy of ad valorem taxes, bonds, imposition of a parcel fee and the levy of a sale and use tax are subject to approval of the voters in each parish comprising the district.

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

(Adds R.S. 48:771-780)

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Makes similar to SB362 of the 2018 Regular Session, but this bill has different membership and the ability to create subdistricts.