Regular Session, 2011

HOUSE BILL NO. 619

BY REPRESENTATIVE LEGER

DISTRICTS/SPECIAL: Creates the La. Sports and Entertainment District in New Orleans

AN ACT

To enact Subpart B-46 of Part IV of Chapter 1 of Title 33 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 33:130.841 through 130.849, relative to economic and community development in Orleans Parish; to create the Louisiana Sports and Entertainment District as a political subdivision of the state; to provide for the boundaries and governance of the district; to provide for the board of commissioners and its authority, powers, duties, and functions; to provide for the levy and collection of taxes and special assessments within the district; to provide for the authority to create subdistricts within the district; to authorize the district to issue and sell bonds and other debt obligations and to finance debt by the pledge of tax increments; and to provide for related matters.

Notice of intention to introduce this Act has been published as provided by Article III, Section 13 of the Constitution of Louisiana.

Be it enacted by the Legislature of Louisiana:

Section 1. Subpart B-46 of Part IV of Chapter 1 of Title 33 of the Louisiana Revised Statutes of 1950, comprised of R.S. 33:130.841 through 130.849, is hereby enacted to read as follows:

SUBPART B-46. LOUISIANA SPORTS AND ENTERTAINMENT DISTRICT

§130.841. Title

The provisions of this Subpart shall hereafter be known as and may be cited as the "Louisiana Sports and Entertainment District Act".

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§130.842. Louisiana Sports and Entertainment District; creation; territorial jurisdiction

A. The Louisiana Sports and Entertainment District, a body politic and corporate, referred to in this Subpart as the "district", is hereby created in the city of New Orleans, referred to in this Subpart as the "city". The district shall be comprised of all the property bounded by Poydras Street, Loyola Avenue, Girod Street, South Liberty Street, Julia Street, Le Rouge Street, Howard Avenue, and South Claiborne Avenue, referred to in this Subpart as the "property".

B. The district shall be a political subdivision of the state as defined in Article VI, Section 44 of the Constitution of Louisiana. Pursuant to Article VI, Sections 19 and 21 of the Constitution of Louisiana, the district is hereby granted all of the rights, powers, privileges, and immunities accorded by law and the Constitution of Louisiana to political subdivisions of the state, subject to the limitations provided in this Subpart.

§130.843. Purpose

The district is created to provide for cooperative economic and community development among the district, the city, the state, and the owners of property in the district, to enhance the development of and improvement to the property within the area of the district, and to expand the entertainment and leisure activities within the district.

§130.844. Governance

A. In order to provide for the orderly development of the district and effect the purposes of the district, the district shall be administered and governed by a board of commissioners, referred to in this Subpart as the "board", composed of those members duly appointed to and serving on the Board of Commissioners of the Louisiana Stadium and Exposition District.

B. The members of the board shall serve without salary or per diem. The board may reimburse any member for reasonable, actual, and necessary expenses incurred in the performance of his duties pursuant to this Subpart.

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C. The board shall elect from among its members a president, a vice president, a secretary, and a treasurer, whose duties shall be those usual to such offices. At the option of the board, the offices of secretary and treasurer may be held by one person.

D. The board shall meet in regular session once each month and shall also meet in special session as often as the president of the board convenes the board or upon the written request of three members. A majority of the members of the board shall constitute a quorum for the transaction of business. All such meetings shall be public meetings subject to the provisions of R.S. 42:14. The board shall keep minutes of all meetings and shall make them available for inspection through the board's secretary or secretary-treasurer, who shall also maintain the minute books and archives of the district. The monies, funds, and accounts of the district shall be in the official custody of the board.

E. The domicile of the board shall be established by the board at a location within the district. The official journal of the district shall be the official journal of the Louisiana Stadium and Exposition District.

§130.845. Rights and powers

The district, acting by and through its board, shall have and exercise all powers of a political subdivision necessary or convenient for the carrying out of its objects and purposes, including but not limited to the following in addition to the other rights and powers set out in this Subpart:

(1) To sue and be sued.

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

(3) To acquire by gift, grant, 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.

(4) To enter into contracts for the purchase, lease, acquisition, construction, and improvement of works and facilities necessary in connection with the purposes

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of the district and to mortgage its properties and enter into leases and other agreements on terms the board approves.

(5) To require and issue licenses with respect to its properties and facilities.

(6) To regulate the imposition of fees and rentals charged by the district for its facilities and services rendered by it.

(7) To appoint officers, agents, and employees, prescribe their duties, and fix their compensation.

(8) To enter into cooperative endeavor agreements with any other party, public or private, to accomplish the purposes of this Subpart.

(9) To exercise any and all of the powers granted to an economic development district as if the district were an economic development district established pursuant to Part II of Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950, including but not limited to the powers of tax increment financing pursuant to R.S. 33:9038.33 and 9038.34 and the power to levy taxes within the district pursuant to R.S. 33:9038.39, provided that any such powers exercised by the district shall be subject to the provisions of Part II of Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950.

§130.846. Levy of taxes

A. It is expressly provided that any taxes levied by the district, or any subdistrict created by the district, may exceed the limitation set forth by Article VI, Section 29(A) of the Constitution of Louisiana and shall be imposed, collected, and enforced subject to the terms of the resolution imposing the tax and the provisions of Chapter 2 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950.

B. Any taxes or assessments of any type to be levied by the district, or any subdistrict created by the district, shall be levied only after the board has adopted an appropriate resolution giving notice of its intention to levy such taxes or assessments, which resolution shall include a general description of the taxes or assessments to be levied, and notice of this intention shall be published once a week for two weeks in the official journal of the district, the first publication to appear at least fourteen days

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before the public meeting of the board at which the board will meet in open and public session to hear any objections to the proposed taxes or assessments. The notice of intent so published shall state the date, time, and place of the public hearing. Such taxes or assessments may be levied only after the board has called a special election submitting the proposition for the levy of such taxes or assessments to the qualified electors of the district or subdistrict, as applicable, and the proposition has received the favorable vote of a majority of the electors voting in the election; however, in the event there are no qualified electors in the district or subdistrict, as applicable, as certified by the registrar of voters, no such election shall be required. The powers and rights conferred by this Section shall be in addition to the powers and rights conferred by any other general or special law. This Section does and shall be construed to provide a complete and additional method for the levy of any taxes or assessments. No election, proceeding, notice, or approval shall be required for the levy of such taxes or assessments except as provided in this Section.

§130.847. Creation of subdistricts

The district may create subdistricts as provided in this Section. The district shall publish notice of its intent to create a subdistrict in the official journal of the district. At least ten days after publication of such notice in the official journal of the district, the board shall conduct a public hearing on the question of creating such subdistrict. Thereafter, the board may designate one or more areas within the boundaries of the district as a subdistrict of the district. Each subdistrict shall constitute a political subdivision of the state and shall be governed by the board. Each subdistrict shall have the same powers as the district and shall be given a name and designated as "Louisiana Sports and Entertainment District Subdistrict No. ___" or such other suitable name as the board may designate.

§130.848. Bonds of the district

A. The district, or any subdistrict created by the district, is hereby authorized and empowered to issue and sell from time to time bonds, notes, renewal notes, refunding bonds, interim certificates, certificates of indebtedness, certificates of

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participation, debentures, warrants, commercial paper, or other obligations or evidences of indebtedness to provide funds for and to fulfill and achieve its public purpose or corporate purposes, as set forth in this Subpart, including but not limited to the payment of all or a portion of the costs of a project, to provide amounts necessary for any corporate purposes, including necessary and incidental expenses in connection with the issuance of the obligations, the payment of principal and interest on the obligations of the district, the establishment of reserves to secure such obligations, and all other purposes and expenditures of the district incident to and necessary or convenient to carry out its public functions or corporate purposes, and any credit enhancement for such obligations.

B. Except as may otherwise be provided by the board, all obligations issued by the district, or any subdistrict created by the district, shall be negotiable instruments and payable solely from the revenues of the district or subdistrict, as applicable, as determined by the board, or from any other sources whatsoever, that may be available to the district or subdistrict, as applicable, but shall not be secured by the full faith and credit of the state or the city.

C. Obligations shall be authorized, issued, and sold by a resolution or resolutions of the board. Such bonds or obligations may be of such series, bear such date or dates, mature at such time or times, bear interest at such rate or rates, including variable, adjustable, or zero interest rates, be payable at such time or times, be in such denominations and in such form, carry such registration and exchangeability privileges, be payable at such place or places, be subject to such terms of redemption, and be entitled to such priorities on the income, revenue, and receipts of, or available to, the district or subdistrict, as applicable, as may be provided by the board in the resolution or resolutions providing for the issuance and sale of the bonds or obligations of the district.

D. The obligations of the district, or any subdistrict created by the district, shall be signed by such officers of the board by either manual or facsimile signatures

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as shall be determined by resolution or resolutions of the board, and shall have impressed or imprinted thereon the seal of the district, or a facsimile thereof.

E. Any obligations of the district, or any subdistrict created by the district, may be validly issued, sold, and delivered, notwithstanding that one or more of the officers of the board signing such obligations, or whose facsimile signature or signatures may be on the obligations, shall have ceased to be such officer of the board at the time such obligations shall actually have been delivered.

F. Obligations of the district, or any subdistrict created by the district, may be sold at such price or prices, at public or private negotiated sale, in such manner and from time to time as may be determined by the district to be most beneficial, subject to approval of the State Bond Commission, and the district may pay all expenses, premiums, fees, or commissions, which it may deem necessary or advantageous in connection with the issuance and sale thereof.

G. The board may authorize the establishment of a fund or funds for the creation of a debt service reserve, a renewal and replacement reserve, or such other funds or reserves as the board may approve with respect to the financing and operation of any project funded with the proceeds of such bonds and as may be authorized by any bond resolution, trust agreement, indenture of trust, or similar instrument or agreement pursuant to the provisions of which the issuance of bonds or other obligations of the district or subdistrict may be authorized.

H. Any cost, obligation, or expense incurred for any of the purposes or powers of the district specified in this Subpart shall be a part of the project costs and may be paid or reimbursed as such out of the proceeds of bonds or other obligations issued by the district or subdistrict.

I. For a period of thirty days from the date of publication of the resolution authorizing the issuance of bonds hereunder, any persons in interest shall have the right to contest the legality of the resolution and the legality of the bond issue for any cause, after which time no one shall have any cause or right of action to contest the legality of such resolution or of the bonds authorized thereby for any cause

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whatsoever. If no suit, action, or proceeding is begun contesting the validity of the bond issue within the thirty days prescribed in this Subsection, the authority to issue the bonds and to provide for the payment thereof, and the legality thereof and all of the provisions of the resolution authorizing the issuance of the bonds shall be conclusively presumed, and no court shall have authority to inquire into such matters.

J. Neither the members of the board nor any person executing the bonds shall be personally liable for the bonds or be subject to any personal liability by reason of the issuance thereof; however, the limitation of liability provided for in this Subsection shall not apply to any gross negligence or criminal negligence on the part of any member of the board or person executing the bonds.

K. All obligations authorized to be issued by the district, or any subdistrict created by the district, pursuant to the provisions of this Subpart, together with interest thereof, income therefrom, and gain upon the sale thereof shall be exempt from all state and local taxes.

L. The state and all public officers, any parish, municipality, or other subdivision or instrumentality of the state, any political subdivision, any bank, banker, trust company, savings bank and institution, building and loan association, savings and loan association, investment company or any person carrying on a banking or investment business, any insurance company or business, insurance association, and any person carrying on an insurance business, and any executor, administrator, curator, trustee, and other fiduciary, and any retirement system or pension fund may legally invest any funds belonging to it or within its control in any bonds or other obligations issued by the district, or any subdistrict created by the district, pursuant to the provisions of this Subpart, and such bonds or other obligations shall be authorized security for all public deposits. It is the purpose of this Subsection to authorize such persons, firms, corporations, associations, political subdivisions and officers, or other entities, public or private, to use any funds owned or controlled by them, including but not limited to sinking, insurance, investment,

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retirement, compensation, pension and trust funds, and funds held on deposit, for the purchase of any such bonds or other obligations of the district or subdistrict, and that any such bonds shall be authorized security for all public deposits; however, nothing contained in this Subsection with regard to legal investments or security for public deposits shall be construed as relieving any such person, firm, corporation, or other entity from any duty of exercising reasonable care in selecting securities.

§130.849. Liberal construction

This Subpart, being necessary for the welfare of the state, the city, and their residents, shall be liberally construed to effect the purposes thereof.

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

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)]

Leger HB No. 619

Abstract: Creates the La. Sports and Entertainment District in New Orleans, with tax, bond, and tax increment financing authority, to provide for cooperative economic and community development and to enhance the development and improvement of property and expand entertainment and leisure activities within the district.

Proposed law enacts the La. Sports and Entertainment District Act, including the following provisions:

(1) Creates the La. Sports and Entertainment District in New Orleans as a political subdivision with the following boundaries: Poydras Street, Loyola Avenue, Girod Street, South Liberty Street, Julia Street, Le Rouge Street, Howard Avenue, and South Claiborne Avenue. Grants the district all the rights, powers, privileges, and immunities of a political subdivision, subject to the limitations of proposed law.

(2) Provides that the district's purpose is to provide for cooperative economic and community development among the district, the city, the state, and the owners of property in the district, to enhance the development of and improvement to the property within the area of the district, and to expand the entertainment and leisure activities within the district.

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(3) Creates and provides for a board of commissioners to govern and administer the district. Provides that the board is composed of the members of the Board of Commissioners of the La. Stadium and Exposition District. Provides that members serve without salary or per diem but may be reimbursed expenses incurred in the performance of board duties.

(4) Provides for board officers, meetings, records, and domicile. Specifies that the district's official journal shall be the official journal of the La. Stadium and Exposition District.

(5) Grants the district, through the board, certain powers to carry out its purposes, including the power to:

(a) Sue and be sued.

(b) Adopt, use, and alter a corporate seal.

(c) Acquire property by gift, grant, purchase, or otherwise; to hold and use any franchise or property, or any interest therein.

(d) Enter into contracts for the purchase, lease, acquisition, construction, and improvement of works and facilities.

(e) Mortgage its properties and enter into leases and other agreements.

(f) Require and issue licenses with respect to its properties and facilities.

(g) Regulate the imposition of fees and rentals charged by the district for its facilities and services rendered by it.

(h) Appoint officers, agents, and employees, prescribe their duties, and fix their compensation.

(i) Enter into cooperative endeavor agreements.

(6) Grants the district the powers of an economic development district as if the district were an economic development district established pursuant to present law (Part II of Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950), including powers of tax increment financing as provided in present law (R.S. 33:9038.33 and 9038.34) and the power to levy taxes within the district as provided in present law (R.S. 33:9038.39 which authorizes ad valorem taxes, sales taxes, or hotel occupancy taxes within the district up to five mills of ad valorem taxes, up to 2% of sales taxes, or up to 2% of hotel occupancy taxes, or any combination of such taxes) all subject to present law (Part II of Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950, which requires approval at an election unless there are no voters in the district).

(7) Relative to tax levies by the district (or a subdistrict of the district), provides that:

(a) Taxes may exceed the constitutional limitation (Const. Art. VI, §29(A)) and are subject to the terms of the resolution imposing the tax and the provisions of present law (Chapter 2 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, relative to sales taxes).

(b) Taxes or assessments may be levied only after the board has adopted an appropriate resolution giving notice of its intention and including a general description of the taxes or assessments to be levied, has published notice of this intention once a week for two weeks in the official journal of the district,

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the first publication at least 14 days before a public hearing of the board on the proposed taxes or assessments. Also requires voter approval of such taxes or assessments at a special election unless there are no qualified electors in the district or subdistrict.

(8) Authorizes the district to create subdistricts, after notice and public hearing. Provides that each subdistrict shall constitute a political subdivision of the state and be governed by the board.

(9) Authorizes the district or a subdistrict to issue bonds or other obligations or evidences of indebtedness to provide funds to achieve its purposes, including payment of all or a portion of the costs of a project or otherwise as necessary or convenient to carry out its purposes. Provides with respect to such debt issuance and procedures therefor. Requires approval of the State Bond Commission to issue bonds or other obligations, and authorizes the district to pay related expenses. Authorizes establishment of a fund(s) by the board for the creation of a debt service reserve, a renewal and replacement reserve, or other funds or reserves with respect to the financing and operation of any project funded with bond proceeds. Authorizes payment of related costs from proceeds of bonds or other obligations. Provides procedures for contesting legality of debt issuance. Provides for exemption from state and local taxes for obligations issued by the district or a subdistrict and authorizes investment in such obligations by public bodies and specified financial institutions, insurance related entities, specified fiduciaries, and retirement systems or pension funds.

(10) Provides for liberal construction of <u>proposed law</u> to effect its purposes.

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

(Adds R.S. 33:130.841-130.849)

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