

Regular Session, 2013

HOUSE BILL NO. 576

BY REPRESENTATIVE BROADWATER

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

DISTRICTS/TAXING: Creates a special taxing district to provide a supplemental means of financing higher education

1 AN ACT

2 To enact Chapter 23-A of Title 17 of the Louisiana Revised Statutes of 1950, to be
3 comprised of R.S. 17:3111 through 3115, relative to special taxing districts; to
4 establish the Higher Education Improvement District; to create and provide for the
5 purpose and boundaries of the district; to provide for the governance of the district
6 and for the authority, powers, duties, and functions of the governing authority of the
7 district; to authorize the levy and collection of certain taxes within the district; to
8 provide for certain requirements and limitations; to provide for the disposition and
9 distribution of the avails of the tax collected in the district; to provide for
10 effectiveness; and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. Chapter 23-A of Title 17 of the Louisiana Revised Statutes of 1950,
13 comprised of R.S. 17:3111 through 3115, is hereby enacted to read as follows:

14 CHAPTER 23-A. HIGHER EDUCATION IMPROVEMENT DISTRICT

15 §3111. Higher Education Improvement District; creation; boundaries; purpose

16 A. Creation. Pursuant to the authority of Article VI, Section 19 of the
17 Constitution of Louisiana, the Higher Education Improvement District, a special
18 district and political subdivision of the state, referred to in this Section as the
19 "district" is hereby created. The district shall have all of the powers and functions

1 of a political subdivision and with such further powers and functions as are set forth
2 in this Chapter.

3 B. Boundaries. The boundaries of the district shall be coterminous with the
4 boundaries of the state of Louisiana.

5 C. Term of Existence. The district shall have perpetual existence subject
6 only to the repeal or amendment of this Section by the legislature.

7 D. Purpose. (1) The district is created to aid each public postsecondary
8 education institution under the management and supervision of the Board of
9 Supervisors of Louisiana State University and Agricultural and Mechanical College,
10 the Board of Supervisors of the Southern University and Agricultural and
11 Mechanical College, the Board of Supervisors for the University of Louisiana
12 System, and the Board of Supervisors of Community and Technical Colleges,
13 including but not limited to law schools, medical schools, veterinarian schools, and
14 any other professional schools, in establishing an additional revenue source to
15 provide for the academic programs at such higher education institutions.

16 (2) It is hereby determined that the creation of the district and the carrying
17 out if its purpose is in all respects a public and governmental purpose for the
18 improvement of the health, safety, welfare, education, comfort, and security of the
19 people of the state, and that the stated purpose of the district is a public purpose and
20 shall be liberally construed to effect such purpose. The district shall be performing
21 an essential governmental function and meeting a public obligation in the exercise
22 of the powers conferred upon the board of the district pursuant to the provisions of
23 this Chapter.

24 (3) The additional revenue source provided for in this Chapter shall not
25 displace, replace, or supplant any existing means of finance in higher education
26 required in accordance with the state constitution and any other laws of this state.
27 Any reduction in means of financing from state general fund dollars shall result in
28 a reduction of an equivalent amount of any tax obligation established pursuant to this
29 Chapter.

1 §3112. Board of directors; membership; terms of office; vacancy;

2 A.(1) In order to provide for the orderly development of the district and
3 effectuation of the purposes of the district, the district shall be administered and
4 governed by a board of directors. The board shall be composed of five members
5 with the consent of the Senate, who are electors of the state. The members shall
6 consist of one representative from each of the following: the Louisiana State
7 University Board of Supervisors, the University of Louisiana System, the Southern
8 University System, the Louisiana Community and Technical College System, and
9 the Board of Regents.

10 (2) A vacancy occurring prior to the expiration of a term shall be filled for
11 the unexpired portion of the term within thirty days after the date on which the
12 vacancy occurs by appointment by the governing body whose representative created
13 the vacancy, with the consent of the Senate. Within twenty-four hours after being
14 informed of a vacancy on the board, the chairman of the board or the officer
15 exercising his duties shall notify the appropriate governing board by certified mail
16 of the vacancy and the effective date of the vacancy.

17 B. The terms of the members shall be for six years. Members shall serve
18 until their successors are appointed and take office.

19 C. A majority of the members shall constitute a quorum for the transaction
20 of business and all official action of the board shall require the favorable vote of a
21 majority of the members of the board. The board shall keep minutes of all meetings
22 and shall make them available for inspection through the board's secretary. The
23 minute books and archives of the district shall be maintained by the board's
24 secretary. The monies, funds, and accounts of the district shall be in the official
25 custody of the board.

26 D. The board shall elect from its own members a president, vice-president,
27 secretary, and treasurer, whose duties shall be common to such offices or as may be
28 provided by bylaws adopted by the district. All meetings of the board shall be public
29 meetings subject to the provisions of R.S. 42:11 et seq.

1 E. The domicile of the board shall be East Baton Rouge Parish.

2 F. The board shall adopt bylaws and prescribe rules to govern its meetings.

3 G. The members of the board shall serve without salary or per diem but shall
4 be entitled to reimbursement for reasonable, actual, and necessary expenses incurred
5 in the performance of their duties, which shall be paid by the governing body whom
6 they represent.

7 §3113. Rights and powers of the board

8 The district, acting by and through its board, shall have and exercise all
9 powers of a political subdivision and special district necessary or convenient for the
10 carrying out of its objects and purposes, including, but not limited to the following:

11 (1) To sue and be sued.

12 (2) To adopt bylaws and rules and regulations.

13 (3) To enter into contracts, agreements, or cooperative endeavors with the
14 state, its political subdivisions or political corporations, or any public or private
15 organization, person, firm, or corporation for the collection of the tax authorized to
16 be levied according to the provisions of this Chapter.

17 (4) To appoint or hire an executive director as it deems necessary for the
18 purpose of carrying out its day-to-day work operations for convenience and
19 effectiveness in the administration of its plans. The board may contract with
20 consultants for services as it may require.

21 (5) To establish such funds or accounts as are necessary for the conduct of
22 the affairs of the district.

23 §3114. Authority to levy tax; statewide approval

24 A. In order to provide funds for the purposes of the district, subject to
25 limitations and prohibitions of the Constitution of Louisiana, the district shall have
26 the power to levy within the district up to five (5) mills of ad valorem taxes in
27 addition to any other ad valorem taxes in existence or permitted to be in existence
28 within the district. All taxes so authorized shall be imposed by ordinance adopted
29 by the district, acting by and through its board of directors subject to approval of a

1 majority of the qualified electors residing within the boundaries of the district voting
2 on the proposition at an election called for such purpose. The powers and rights
3 conferred by this Section shall be in addition to the powers and rights conferred by
4 any other general or special law. This Section does and shall be construed to provide
5 a complete and additional method for the levy of an ad valorem tax.

6 B. Contesting ordinance or resolution; time limit. Any ordinance or
7 resolution adopted by the district authorizing the levy and collection of ad valorem
8 taxes shall be published at least once in the official journal of the state and in the
9 official journal of each parish within the district. For thirty days after the date of
10 publication in a parish, any person in interest may contest the legality of the
11 ordinance or resolution and of any provision therein made for the levy and collection
12 of ad valorem taxes. After that time, no one shall have any cause of action to test the
13 regularity, formality, legality, or effectiveness of the ordinance or resolution, and
14 provision thereof for any cause whatever. Thereafter, it shall be conclusively
15 presumed that every legal requirement for the levy and collection of ad valorem
16 taxes, including all things pertaining to the authorizing thereof, has been complied
17 with. No cause or might of action shall exist as to any of these matters after the
18 thirty day period after publication.

19 §3115. Use of tax proceeds; requirements; limitations

20 A. If the district adopts an ordinance to levy an ad valorem tax within the
21 boundaries of the district, and such proposition to levy the ad valorem tax is
22 approved by a majority of the electors in a statewide election, the board may contract
23 with or enter into agreements with the tax collector of each parish in order to provide
24 for the efficient collection of the tax.

25 B. The board shall establish an account wherein all proceeds of the tax shall
26 be deposited. The monies in the account shall be distributed to each public
27 postsecondary education institution under the management and supervision of the
28 Board of Supervisors of Louisiana State University and Agricultural and Mechanical
29 College, the Board of Supervisors of the Southern University and Agricultural and

1 Mechanical College, the Board of Supervisors for the University of Louisiana
 2 System, and the Board of Supervisors of Community and Technical Colleges,
 3 including but not limited to law schools, medical schools, veterinarian schools, and
 4 any other professional schools based on a formula which is primarily based on the
 5 number of students and full-time equivalents registered and attending such
 6 institutions.

7 C. All monies collected pursuant to the levy of an ad valorem tax shall be
 8 used solely for enhancement of academic programs at each institution. No monies
 9 received by any such institution pursuant to the provisions of this Chapter shall be
 10 used for expenses related to salaries or benefits of non-teaching staff, coaches, or
 11 administrative personnel, construction or maintenance costs for any buildings,
 12 arenas, sports facilities, or grounds keeping on campus, or for any expenses
 13 associated with a sports program.

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)]

Broadwater

HB No. 576

Abstract: Creates the Higher Education Improvement District as a means of supplementing the financing of higher education

Proposed law provides for the creation of the Higher Education Improvement District as a special district and political subdivision of the state

Proposed law provides that the boundaries of the district are coterminous with the boundaries of the St. of La.

Proposed law provides that the district shall exist in perpetuity subject only to the repeal or amendment by the legislature.

Proposed law provides that the district is created to aid each public postsecondary education institution under the management and supervision of the Bd. of Supervisors of LSU & A & M College, the Bd. of Sup

erisors of the So.

University and A & M College, the Bd. of Supervisors for the UL System, and the Bd. of Supervisors of the LCTCS, including but not limited to law schools, medical schools, veterinarian schools, and any other professional schools, in establishing an additional revenue source to provide for the academic programs at such higher education institutions.

Proposed law provides that the district is created to carry out a public and governmental purpose and that the additional revenue source to carry out such purpose shall not displace or supplant any existing higher education means of finance in accordance with present law. Further any reduction in means of financing from state general fund dollars shall result in a reduction of an equivalent amount of any tax obligation established pursuant to proposed law.

Proposed law provides the district shall be governed by a board of directors, comprised of 5 members confirmed by the Senate. Further the members shall consist of one representative from each of the following: Bd. of Supervisors of LSU & A & M College, the Bd. of Supervisors of the So. University and A & M College, the Bd. of Supervisors for the UL System, and the Bd. of Supervisors of the LCTCS.

Proposed law provides if a vacancy occurs prior to the expiration of a term, the unexpired term will be filled within 30 days after the date on which the vacancy occurs by appointment by the governing body whose representative created the vacancy, with Senate confirmation. Within 24 hours after being informed of a vacancy, the chairman or the officer exercising his duties shall notify the appropriate governing board by certified mail of the vacancy and the effective date of the vacancy.

Proposed law provides for 6-year terms of the members and that members shall serve until their successors are appointed and take office.

Proposed law provides that a quorum shall be a majority, all official action shall require the favorable vote of a majority of the members, the minutes shall be kept and made available for inspection through the board's secretary, and maintained by the board's secretary. The monies, funds, and accounts of the district shall be in the official custody of the board.

Proposed law provides that the board shall elect a president, vice-president, secretary, and treasurer and all meetings shall be subject to the provisions of the open meetings law. Further the board shall be domiciled in EBR Parish and shall adopt bylaws and prescribe rules to govern its meetings. Further the board members shall serve without salary or per diem but shall be entitled to reimbursement for reasonable, actual, and necessary expenses incurred in the performance of their duties, which shall be paid by the governing body whom they represent.

Proposed law provides that the district, through its board, shall have and exercise all powers of a political subdivision and special district necessary or convenient for the carrying out of its purposes, including, but not limited to the following:

- (1) To sue and be sued.
- (2) To adopt bylaws and rules and regulations.
- (3) To enter into contracts, agreements, or cooperative endeavors with the state, its political subdivisions or political corporations, or any public or private organization, person, firm, or corporation for the collection of the tax authorized to be levied according to the provisions of proposed law.
- (4) To appoint or hire an executive director for carrying out its day-to-day operations and may contract with consultants for services as it may require.
- (5) To establish such funds or accounts as are necessary for the conduct of the affairs of the district.

Proposed law provides for authority to levy ad valorem taxes within the district up to 5 mills in addition to any other ad valorem taxes in existence within the district. Further, such taxes shall be imposed by ordinance adopted by the district subject to approval of a majority vote of the voters of the district.

Proposed law provides for publication of the ordinance providing for the levy and collection of ad valorem taxes at least once in the official journal of the state and in the official journal of each parish within the district. Further provides that for 30 days after date of publication,

any interested person may contest the legality of the ordinance or resolution and of any provision therein made for the levy and collection of ad valorem taxes. Further after that time, no one shall have any cause of action to contest the ordinance and the ordinance shall be deemed legal and binding.

Proposed law provides that if the ad valorem tax is approved by a majority vote, the board may contract with or enter into agreements with the tax collector of each parish in order to provide for the efficient collection of the tax.

Proposed law provides that the board shall establish an account wherein all proceeds of the tax shall be deposited and the monies shall be distributed to each public postsecondary education institution under the management and supervision of the Bd. of Supervisors of LSU & A & M College, the Bd. of Supervisors of the So. University and A & M College, the Bd. of Supervisors for the UL System, and the Bd. of Supervisors of the LCTCS, including but not limited to law schools, medical schools, veterinarian schools, and any other professional schools based on a formula which is primarily based on the number of students and full-time equivalents registered and attending such institutions.

Proposed law provides that all monies collected from the levy of an ad valorem tax shall be used solely for enhancement of academic programs at each institution, and shall not be used for salaries or benefits of non-teaching staff, coaches, or administrative personnel, construction or maintenance costs for any buildings, arenas, sports facilities, or grounds keeping on campus, or for any expenses associated with a sports program.

(Adds R.S. 17:3111-3115)