

2016 Regular Session

HOUSE BILL NO. 1056

BY REPRESENTATIVE LEGER

DISTRICTS/SPECIAL: Provides relative to the New Orleans Exhibition Hall Authority Economic Growth and Development District

1 AN ACT

2 To amend and reenact R.S. 33:130.865(9) and 130.866 and to enact R.S. 33:130.865(10),
3 relative to the New Orleans Exhibition Hall Authority Economic Growth and
4 Development District; to provide relative to the powers and duties of the district,
5 including the authority to levy taxes and implement tax increment financing; to
6 authorize the district to create subdistricts and to provide for their powers and duties;
7 and to provide for related matters.

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

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 33:130.865(9) and 130.866 are hereby amended and reenacted and
13 R.S. 33:130.865(10) is hereby enacted to read as follows:

14 §130.865. Rights and powers

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

19 * * *

1 (9) To exercise any and all of the powers granted to an economic
 2 development district as if the district were an economic development district
 3 established pursuant to Part II of Chapter 27 of Title 33 of the Louisiana Revised
 4 Statutes of 1950, ~~excluding, however, the powers of tax increment financing~~
 5 ~~pursuant to R.S. 33:9038.33 and 9038.34 and the power to levy taxes within the~~
 6 ~~district pursuant to R.S. 33:9038.39. The taxing authority granted to the district by~~
 7 ~~this Paragraph shall not limit any taxing authority granted to the city of New Orleans~~
 8 ~~pursuant to Article VI, Section 29(B) of the Constitution of Louisiana.~~

9 (10)(a) To create subdistricts as provided in this Paragraph. The district shall
 10 publish notice of its intent to create a subdistrict in the official journal of the district.
 11 At least ten days after publication of such notice in the official journal of the district,
 12 the board shall conduct a public hearing on the question of creating the subdistrict.
 13 Thereafter, the board may designate one or more proposed areas within the
 14 boundaries of the district as a subdistrict of the district.

15 (b) Each subdistrict shall constitute a political subdivision of the state and
 16 shall be governed by the board. Each subdistrict shall have the same powers granted
 17 to the district, including the powers granted to the district pursuant to Paragraph (9)
 18 of this Section. Each subdistrict shall be given a name and designated as "New
 19 Orleans Exhibition Hall Authority Economic Growth and Development District
 20 Subdistrict No. " or such other suitable name as the board may designate.

21 §130.866. Bonds of the district ~~or any subdistrict~~

22 A. The district, ~~or any subdistrict,~~ may issue and sell from time to time
 23 bonds, notes, renewal notes, refunding bonds, interim certificates, certificates of
 24 indebtedness, certificates of participation, debentures, warrants, commercial paper,
 25 or other obligations or evidences of indebtedness to provide funds for and to fulfill
 26 and achieve its public purpose or corporate purposes, as set forth in this Subpart,
 27 including but not limited to the payment of all or a portion of the costs of a project,
 28 to provide amounts necessary for any corporate purposes, including necessary and
 29 incidental expenses in connection with the issuance of the obligations, the payment

1 of principal and interest on the obligations of the district or subdistrict, the
2 establishment of reserves to secure such obligations, and all other purposes and
3 expenditures of the district or subdistrict incident to and necessary or convenient to
4 carry out its public functions or corporate purposes, and any credit enhancement for
5 such obligations.

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

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

21 D. The obligations of the district, or any subdistrict, shall be signed by such
22 officers of the board by either manual or facsimile signatures as shall be determined
23 by resolution or resolutions of the board, and shall have impressed or imprinted
24 thereon the seal of the district or subdistrict, or a facsimile thereof.

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

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

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

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

18 I. For a period of thirty days from the date of publication of the resolution
19 authorizing the issuance of such bonds, any person in interest shall have the right to
20 contest the legality of the resolution and the legality of the bond issue for any cause,
21 after which time no one shall have any cause or right of action to contest the legality
22 of such resolution or of the bonds authorized thereby for any cause whatsoever. If
23 no suit, action, or proceeding is begun contesting the validity of the bond issue
24 within the thirty days prescribed in this Subsection, the authority to issue the bonds
25 and to provide for the payment thereof, and the legality thereof and all of the
26 provisions of the resolution authorizing the issuance of the bonds shall be
27 conclusively presumed, and no court shall have authority to inquire into such
28 matters.

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

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

10 L. The state and all public officers, any parish, municipality, or other
11 subdivision or instrumentality of the state, any political subdivision, any bank,
12 banker, trust company, savings bank and institution, building and loan association,
13 savings and loan association, investment company or any person carrying on a
14 banking or investment business, any insurance company or business, insurance
15 association, and any person carrying on an insurance business, and any executor,
16 administrator, curator, trustee, and other fiduciary, and any retirement system or
17 pension fund may legally invest any funds belonging to it or within its control in any
18 bonds or other obligations issued by the district, or any subdistrict, pursuant to the
19 provisions of this Subpart, and such bonds or other obligations shall be authorized
20 security for all public deposits. It is the purpose of this Subsection to authorize such
21 persons, firms, corporations, associations, political subdivisions and officers, or other
22 entities, public or private, to use any funds owned or controlled by them, including
23 but not limited to sinking, insurance, investment, retirement, compensation, pension
24 and trust funds, and funds held on deposit, for the purchase of any such bonds or
25 other obligations of the district, or any subdistrict, and to provide that any such bonds
26 shall be authorized security for all public deposits; however, nothing contained in
27 this Subsection with regard to legal investments or security for public deposits shall

1 be construed as relieving any such person, firm, corporation, or other entity from any
2 duty of exercising reasonable care in selecting securities.

3 * * *

4 Section 2. This Act shall become effective on July 1, 2016; if vetoed by the governor
5 and subsequently approved by the legislature, this Act shall become effective on July 1,
6 2016, 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)]

HB 1056 Engrossed 2016 Regular Session Leger

Abstract: Authorizes the New Orleans Exhibition Hall Authority Economic Growth and Development District to levy taxes and implement tax increment financing and to create subdistricts.

Present law creates and provides for the New Orleans Exhibition Hall Authority Economic Growth and Development District as a political subdivision and provides for its boundaries. 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 property within the district, and to promote economic growth, safety, and development. Provides for the district's governance.

Present law provides for the district's powers and duties, including the following:

- (1) Sue and be sued.
- (2) Adopt, use, and alter a corporate seal.
- (3) Acquire property by gift, grant, or purchase and to hold and use any franchise or property.
- (4) Enter into contracts for the purchase, lease, acquisition, construction, and improvement of works and facilities.
- (5) Mortgage its properties and enter into leases and other agreements. Specifically exempts any such lease from present law on leasing public property.
- (6) Require and issue licenses with respect to its properties and facilities.

Proposed law retains present law.

Present law authorizes the district 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 present law, excluding, however, the powers of tax increment financing and the power to levy taxes within the district.

Proposed law instead grants the district all of the powers of an economic development district established pursuant to present law, including the powers of tax increment financing

and the power to levy taxes. Proposed law additionally provides that the taxing authority granted to the district pursuant to proposed law cannot limit any taxing authority granted to the city of New Orleans pursuant to the state constitution (Art. VI, Sec. 29(B)).

Proposed law authorizes the district to create subdistricts. Requires the district to publish notice of its intent to create a subdistrict in the official journal of the district. Requires the district's board, at least 10 days after publication, to conduct a public hearing on the question of creating the subdistrict. Provides that each subdistrict constitutes a political subdivision of the state and shall be governed by the district's board. Grants each subdistrict the same powers granted to the district.

Present law authorizes the district to issue bonds or other evidence of indebtedness to provide funds to achieve its purposes, including payment of costs of a project. Provides with respect to such debt issuance and procedures therefor. Authorizes establishment of funds or reserves with respect to the financing and operation of any project funded with bond proceeds. Provides procedures for contesting legality of debt issuance. Provides for exemption from state and local taxes for obligations issued by the district and authorizes investment in such obligations by public bodies and specified financial institutions, insurance related entities, specified fiduciaries, and retirement systems or pension funds.

Proposed law makes present law applicable to subdistricts created by the district.

Effective July 1, 2016.

(Amends R.S. 33:130.865(9) and 130.866; Adds R.S. 33:130.865(10))