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RS 39:1401

CHAPTER 11. STATE BOND COMMISSION
PART I. GENERAL PROVISIONS

§1401. State Bond Commission

A. There is hereby created the State Bond Commission, which shall be composed of the governor, the lieutenant governor, the president of the Senate, the speaker of the House of Representatives, the state treasurer, the secretary of state, the attorney general, the Senate Finance Committee chairman, the Senate Revenue and Fiscal Affairs Committee chairman, the House Ways and Means Committee chairman, the House Appropriations Committee chairman, two members of the legislature, one to be appointed by the president of the Senate and one to be appointed by the speaker of the House of Representatives, and the commissioner of administration, all ex officio.

B. Said members may be represented at meetings of the State Bond Commission by the persons designated as follows:

- (1) The governor, by his executive secretary or executive counsel;
- (2) The lieutenant governor, by any of his administrative assistants;
- (3) The president of the Senate, by any other member of the Senate;
- (4) The speaker of the House of Representatives, by any other member of the House of Representatives;
- (5) The state treasurer, by the first assistant state treasurer;
- (6) The secretary of state, by the first assistant secretary of state, undersecretary of management and finance, or by legal counsel for the Department of State;
- (7) The attorney general, by any full-time assistant attorney general;
- (8) Each committee chairman, by any other member of his committee, and the appointees of the legislature by any other member of the legislature; and
- (9) The commissioner of administration, by any full-time assistant to the commissioner of administration.

C. The state treasurer shall serve as chairman of the State Bond Commission, and the State Bond Commission may select such other officers as the commission may deem necessary.

Acts 1968, Ex.Sess., No. 26, §1. Amended by Acts 1972, No. 164, §4; Acts 1974, No. 438, §1; Acts 1976, No. 534, §1, eff. Aug. 3, 1976; Acts 1977, No. 388, §1, eff. July 10, 1977; Acts 1985, No. 387, §1, eff. July 10, 1985; Acts 1988, No. 721, §1, eff. July 18, 1988.

§1402. General obligation bonds

A. All general obligation bonds of the state of Louisiana issued pursuant to Article VII, Section 6 of the constitution of Louisiana shall be issued and sold by the State Bond Commission and shall be payable from the Bond Security and Redemption Fund. The provisions of this Section shall not be applicable to bonds not secured by or payable from the Bond Security and Redemption Fund.

B. Pursuant to Article VII, Section 9(B) of the constitution of Louisiana, all state money deposited in the state treasury, subject to contractual obligations existing on the effective date of the constitution, shall be credited to a special fund designated as the Bond Security and Redemption Fund, except money received as the result of grants or donations or other forms of assistance when the terms and conditions thereof or the agreements pertaining thereto require otherwise. In each fiscal year an amount is allocated from the Bond Security and Redemption Fund sufficient to pay all obligations which are secured by the full faith and credit of the state and which become due and payable within the current fiscal year, including principal, interest, premiums, sinking or reserve funds, and other requirements. Thereafter, except as otherwise provided by law, money remaining in the fund shall be credited to the state general fund.

C. All bonds payable from the Bond Security and Redemption Fund shall have a first lien and privilege on the funds in the Bond Security and Redemption Fund and be payable *pari passu* with all other bonds heretofore issued under and pursuant to the constitution of Louisiana secured by the monies pledged and dedicated and paid into said fund on a parity with said bonds.

D. The State Bond Commission shall not issue general obligation bonds or other general obligations secured by the full faith and credit of the state at any time when the highest annual debt service requirement for the current or any subsequent fiscal years for such debt, including the debt service on such bonds or other obligations then proposed to be sold by the State Bond Commission, exceeds ten percent of the average annual revenues of the Bond Security and Redemption Fund for the last three fiscal years completed prior to such issuance. In calculating the debt service on such bonds or other obligations for the current fiscal year, (a) there shall be deducted therefrom the amount, if any, paid into the Bond Security and Redemption Fund as reimbursement for such debt service and (b) only the actual amount of principal falling due on the stated maturity dates of bonds shall be used even though bondholders may have the optional right to have bonds redeemed in advance of their stated maturities. The state treasurer shall certify such relevant information as may be required by law to determine the amount of the limitation. The certification by the state treasurer shall be deemed to be a part of the proceedings in the issuance of bonds or other obligations as contemplated in Paragraph (C) of Section 8 of Article VII of the Constitution of Louisiana and shall be deemed to be conclusive.

The debt limitation contained herein shall not be applicable to the issuance or sale by the State Bond Commission of refunding bonds secured by the full faith and credit of the state of Louisiana or to bond anticipation notes. However, that for the purpose of calculating the annual debt service requirements in any fiscal year, there shall be included the debt service on such refunding bonds and there shall be excluded debt service requirements on those prior issues of bonds refunded by the refunding bonds.

E. The proceeds derived from the sale of bonds issued by the State Bond Commission and secured by the Bond Security and Redemption Fund shall be deposited in the state treasury in a special fund to be known as the Capital Improvement Bond Fund and shall be invested by

the state treasurer by and with the approval of a majority of the State Bond Commission until such time as the proceeds are disbursed by the state treasurer to the appropriate board, department, commission, authority or agency to meet the purpose or purposes for which said bonds were issued. The state treasurer shall credit all interest earnings from investments of bond proceeds to the Bond Security and Redemption Fund.

Acts 1968, Ex.Sess., No. 26, §2. Amended by Acts 1972, No. 124, §1; Acts 1975, No. 765, §1; Acts 1977, No. 733, §2, eff. July 26, 1977; Acts 1981, Ex.Sess., No. 22, §1, eff. Nov. 19, 1981.

§1403. All other state bonds

A. All other bonds, of whatever type, of the state of Louisiana and its boards, departments, commissions, authorities, and agencies (except the following which are excluded from the operation of this Chapter: municipalities, parishes, parish and municipal school boards and districts, levee boards and districts, housing authorities, community improvement agencies, redevelopment agencies, political subdivisions and units of local government created by or governed by the governing authorities of parishes or municipalities, and any drainage or special service districts, such as water, sewerage, garbage and lighting districts created by or pursuant to legislative acts) shall be sold by the State Bond Commission.

B. In the case of the bond issues to be sold under the authority of this Section, the State Bond Commission, in consultation with the board, department, commission, authority, or agency with responsibility for the issuance of the respective bonds under applicable law and for carrying out the purposes for which the bond proceeds are to be expended, shall have authority to select bond counsel and other consultants, to assist in the issuance, sale and delivery of bonds and to help determine the form and details of the bonds in compliance with the law; to determine the amount of bonds to be sold from time to time or at any one time; to select the time at which bonds are to be sold; in the case of general obligation bonds or bonds payable from tax revenues to sell the bonds to the bidder submitting the highest and best bid therefor or to reject any and all bids, and in the case of revenue bonds not guaranteed by the state and payable from the revenues derived from a project financed with the proceeds of the bonds or guaranteed by payments to be made by a private corporation to sell the bonds in accordance with the law authorizing their issuance in such manner, not inconsistent therewith, as may be determined by the State Bond Commission to be most advantageous to the issuer; and to remit the proceeds from the sale of such bonds to the appropriate agency. All other authority and responsibility vested in the board, department, commission, authority or agency issuing the bonds shall remain therewith, and the State Bond Commission shall have no authority or responsibility other than provided for by this subsection.

C. Bonds of boards, departments, commissions, authorities, and agencies subject to the provisions of this Section shall be sold by the State Bond Commission in the manner as provided by the laws authorizing such agencies to issue such bonds and as provided in R.S. 39:1403(B). All such bonds shall have endorsed thereon the recital:

"This bond sold by the State Bond Commission on behalf of _____ in accordance with the requirements of Chapter 11 of Title 39 of the Louisiana Revised Statutes of 1950.

"

The endorsement shall be signed by either the state treasurer, the assistant state treasurer, or the secretary of the State Bond Commission, which signature may be a facsimile.

Acts 1968, Ex.Sess., No. 26, §3. Amended by Acts 1975, No. 765, §1; Acts 1975, No. 794, §1, eff. July 17, 1975; Acts 1976, No. 248, §1, eff. July 27, 1976; Acts 1981, No. 103, §1, eff. July 2, 1981.

§1404. Duties of state treasurer

The state treasurer shall advise the State Bond Commission, the governor, the legislature and other public officials with respect to the issuance of bonds and all other related matters; and shall provide information to rating services, financial institutions and other prospective bond buyers, other interested persons and the general public on all matters relating to the issuance and sale of bonds, the debt structure and the management of the debt of the State of Louisiana and all of its boards, departments, commissions, authorities and agencies. The state treasurer shall organize and administer, within the office of the state treasurer a State Debt Management Section and shall select such assistants as are considered necessary by him to carry out the responsibilities imposed on him hereby.

Acts 1968, Ex.Sess., No. 26, §4.

§1404.1. Designation and duties of secretary

The director of the State Bond Commission, or such other officer as may be appointed by the state treasurer, shall serve as the secretary of the State Bond Commission. The secretary of the State Bond Commission shall have charge of the records and books and keep the minutes of the meetings of the State Bond Commission. The secretary is also authorized (i) to certify the proceedings and official acts of the State Bond Commission, (ii) see that all notices relating to the activities of the State Bond Commission are duly given as required by law, (iii) sign bonds or other evidences of indebtedness, and (iv) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the chairman of the State Bond Commission.

Notwithstanding any law to the contrary, the state treasurer shall be responsible for any acts or omissions of the director of the State Bond Commission in performing the duties required of him under Sections 1403 and 1404.1 of Title 39 of the Louisiana Revised Statutes of 1950.

Added by Acts 1976, No. 248, §2, eff. July 27, 1976.

§1405. General debt policy and procedures

A. The legislature shall enact laws establishing the general policy concerning the incurring of indebtedness by or on behalf of the state and its boards, departments, commissions, authorities, and agencies and establishing procedures for the issuance and sale of bonds issued by or on behalf of the state of Louisiana and its boards, departments, commissions, authorities and agencies. Such laws shall provide the general policy and procedures of the state to be followed by the state and the State Bond Commission in the issuance and the sale of bonds. All acts authorizing the issuance and sale of bonds by or on behalf of the state or any of its boards, departments, commissions, authorities and agencies shall conform to said general policy as enacted by the legislature and as may be amended by it from time to time, and such bonds shall be issued and sold in accordance with the laws establishing such policy and procedures.

B. No person or entity, public or private, shall incur debt or issue evidences of indebtedness for the purpose of financing any project in the state of Louisiana, the interest upon which indebtedness or evidence thereof is exempt from federal income taxation under Section 103 of the Internal Revenue Code of 1954, without the consent and approval of the State Bond Commission. Any evidence of indebtedness incurred or issued in violation of this Section shall be null and void and no court of this state shall have jurisdiction to enforce the payment thereof pursuant to the provisions of R.S. 47:1806.

C. The State Bond Commission is authorized to publish a report each year detailing its activities for the prior fiscal year and to present such report to the governor and the legislature prior to the beginning of each regular session of the legislature.

D.(1) Every negotiated sale of bonds, notes, or certificates of the state and its boards, departments, commissions, authorities, and agencies shall include a priority order period during which orders will be accepted solely for Louisiana retail purchase orders. "Louisiana retail purchase" shall mean a direct purchase by an individual resident of Louisiana or a company domiciled in Louisiana or a trust department, investment advisor, or money manager acting on behalf of a resident of Louisiana or a company domiciled in Louisiana and shall not include a purchase by an institutional customer. The director of the State Bond Commission may request copies of all initial trade confirmations to verify retail orders.

(2) The provisions of this Subsection shall not apply if the state treasurer or the director of the State Bond Commission determines that such action would be a financial detriment to the issuer.

Acts 1968, Ex.Sess., No. 26, §5. Amended by Acts 1982, No. 512, §1, eff. July 22, 1982; Acts 1991, No. 246, §1; Acts 2005, No. 444, §1.

§1405.1. Fees to defray expenses of the State Bond Commission

A. The State Bond Commission, in order to defray the expenses incurred in all its operations and to pay any other expenses which may be necessary in connection therewith, including but not limited to the review of applications for consent and approval of the issuance of debt or evidences of indebtedness for the purpose of financing any project in the state of Louisiana, shall have the power to impose and collect fees on all such applications, as well as the power to impose and collect a fee at the closing of such issuances of debt. The amount of all fees imposed shall be reasonably related to the costs of the services provided. The State Bond Commission shall promulgate rules and regulations to establish a schedule of fees in accordance with the provisions of this Section. Such rules shall provide that all closing fees imposed and collected shall be based on a percentage of the issuance of debt, with the percentage decreasing on a sliding scale as the size of the debt issuance increases. The percentage of the fee collected under this Section shall not be greater than the percentage imposed by the State Bond Commission prior to May 1, 1990.

B. Repealed by Acts 2006, No. 261, §1, eff. June 8, 2006.

C. The State Bond Commission shall have the power to promulgate any rules and regulations necessary to implement the provisions of this Section.

Acts 1984, No. 105, §1, eff. June 15, 1984; Acts 1989, No. 457, §1, eff. June 30, 1989; Acts 1990, No. 506, §1; Acts 2001, No. 431, §1; Acts 2006, No. 261, §1, eff. June 8, 2006.

§1405.2. Payments in lieu of ad valorem taxes for certain bonds

The State Bond Commission shall not issue any bonds or approve the issuance of any tax exempt bonds of any public entity when the project beneficiary is an entity whose property would otherwise be subject to ad valorem taxation and when the terms of such bonds or any agreements related thereto provide that no payments shall be made by that project beneficiary in lieu of ad valorem taxes, unless sufficient evidence is presented to the State Bond Commission that each affected tax recipient parish and municipal governing authority and school board has been notified and given the opportunity to comment in a public hearing upon any proposal which would waive such payments in lieu of property taxes.

Acts 1986, No. 529, §1.

§1405.3. Local governmental approval of industrial revenue bonds

A. Notwithstanding any provision of law to the contrary, the State Bond Commission shall not approve the issuance of industrial revenue bonds or other bonds, notes, certificates of indebtedness, or other debt instruments by any entity authorized to issue such industrial revenue bonds or other bonds, notes, certificates of indebtedness, or other debt instruments when such issuance would provide, directly or indirectly, for the purchase or other acquisition of public lands or other public property which would be exempt from ad valorem taxation as provided in Article VII, Section 21(A) and (B) of the Constitution of Louisiana unless all parishes, municipalities, school boards, or other public entities which would be affected by the exemption of such public lands or other public property from ad valorem taxation have first approved the issuance of bonds, notes, certificates of indebtedness, or other debt instruments.

B. The provision of this Section shall be applicable only in Bossier Parish.

Acts 2004, No. 815, §1, eff. July 12, 2004; Acts 2005, No. 3, §1, eff. May 27, 2005.

§1405.4. Costs of issuance and reporting requirements

A. Bonds, notes, or other issuances of indebtedness of any issuer required by the constitution or laws of Louisiana to be sold or approved by the State Bond Commission, shall not be sold unless and until the estimated costs of issuance have been presented to the issuer in a written report compiled by bond counsel in a public sale of securities or by bond counsel with the assistance of the underwriter in a private sale of securities.

B. No later than forty-five days after the closing and delivery of bonds the issuer or its representative shall submit to the State Bond Commission a final report with respect to such issue.

C. The final report shall be in a form provided by the State Bond Commission and shall provide information with respect to the final size of the issue, maturities and interest rates, and all costs of issuance including underwriters' discount, legal fees, financial advisory fees, consultant or other advisory fees, paying agent fees, registrar fees, fees payable for duties related to the issuance and payment of the securities, remarketing fees, and fees associated with liquidity enhancement devices, credit enhancement devices, interest rate swaps, or derivative products, paid from bond proceeds or other sources. Such report shall also provide information with regard to the specific role that an individual or company performed for such fee. Annual fees or ongoing costs may be reported in a fixed or parameter mode.

D. The report shall list:

(1) The costs of issuance by individual item as submitted to and approved by the State Bond Commission.

(2) The actual costs of issuance by individual item.

(3) The variance, if any, between the approved and actual costs of issuance by individual item, dollar amount and percentage.

E. If the total actual costs of issuance exceed the total approved costs of issuance or the actual costs of issuance in any line item exceed the approved costs of issuance by a variance of ten percent or more, the issuer shall obtain supplemental approval of the State Bond Commission prior to paying any individual item in excess of the approved costs of issuance.

F. In addition to the other reporting requirements set forth in this Section, any fees which are associated with the bonds and which are incurred after the forty-five day period following issuance and delivery of the bonds, including but not limited to legal, consulting, and financial advisory fees, and fees associated with credit enhancement or derivative projects obtained post-closing, shall be estimated and presented to the issuer and the State Bond Commission. A final report of the actual fees paid shall be furnished to the issuer and the State Bond Commission within forty-five days of the payment.

G. A copy of any report required by this Section shall be filed in the official records of the issuer.

H. Any person or any officer, agent, representative, or employee of any issuer of bonds required by the constitution or laws of Louisiana to be sold or approved by the State Bond Commission, who violates this Section, or who counsels, aids, or abets the violation thereof, or who participates with others, or who engages or attempts to engage, in the payment or receipt of any fee, without filing the reports required herein, shall be fined not less than two times the fee received in violation of this Section, which penalty shall be paid to the State Bond Commission.

Acts 2008, No. 790, §1.

§1406. Applicability of Chapter

This Chapter shall not be applicable to any bond issues in process prior to November 25, 1968, and the determination of such facts and findings so made by the state treasurer, as evidenced by a certificate to this effect, shall be conclusive, except that the state treasurer shall have the right to apply the provisions of this Chapter to exempted issues at the request of the issuing agency.

Acts 1968, Ex.Sess., No. 26, §6.

§1408. Transfer of functions from State Bond and Tax Board

A. By authority of Section 32 of Article III of the Constitution of 1921, the powers, duties and functions of the State Bond and Tax Board as provided in R.S. 47:1801-1808 are hereby transferred to and vested in the State Bond Commission.

B. Under the transfer herein provided for, all pending and unfinished business of the State Bond and Tax Board as of the effective date of this section shall be taken over and completed by the State Bond Commission. The State Bond Commission shall be the successor in every way to the State Bond and Tax Board and every act done by the State Bond Commission in the exercise of the powers, duties and functions of the State Bond and Tax Board herein transferred shall be deemed to have the same force and effect under any provisions of the constitution and laws in effect on the effective date of this section as if done by the State Bond and Tax Board.

C. Whenever the State Bond and Tax Board is referred to or designated by the constitution or by any law or contract or other document, such reference or designation hereafter shall be deemed to be to the State Bond Commission; provided, however, that the provisions of this section are in no way intended to extend to nor shall they be construed in any manner which shall impair any contractual obligations of the State Bond and Tax Board or impair any contractual obligation, bonding or taxing authority heretofore approved by the State Bond and Tax Board.

D. All books, papers, records, money and other property heretofore possessed, controlled or used by the State Bond and Tax Board in the exercise of the functions hereby transferred and all employees heretofore engaged in the performance of such functions are hereby transferred to the State Bond Commission.

E. The transfer provided for in this Act shall take effect and be operative on January 1, 1973 and any appropriation made at this 1972 regular session of the legislature or any funds otherwise made available for the State Bond and Tax Board shall be transferred to and be used by the State Bond Commission in carrying out the functions herein transferred to it.

Acts 1972, No. 123, §§1 to 5.

§1410. Transfer of certain functions of the State Bond Commission to the division of administration

A. All the powers, duties, and functions transferred by the provisions of R.S. 39:1409(B) from the State Bond and Building Commission to the State Bond Commission, which relate to the expending of funds for and the administration of construction are hereby transferred to the division of administration in order to exercise supervision over the expenditure of funds and the construction projects as provided in Part III of Chapter 1 of Subtitle I of Title 39 of the Louisiana Revised Statutes of 1950.

B. All the powers, duties, and functions transferred by the provisions of R.S. 39:1407(B) from the Capital Construction and Improvement Commission to the State Bond Commission which relate to the expending of funds for and the administration of construction are hereby transferred to the division of administration in order to exercise supervision over the expenditure of funds and the construction projects as provided in Part III of Chapter 1 of Subtitle I of Title 39 of the Louisiana Revised Statutes of 1950.

C. All the powers, duties, and functions heretofore vested in and exercised by the Capital Outlay Budget Board under the provisions of Act 15 of 1969,¹ as amended, which relate to the expending of funds for and the administration of construction are hereby transferred to the division of administration in order to exercise supervision over the expenditure of funds and the construction projects as provided in Part III of Chapter 1 of Subtitle I of Title 39 of the Louisiana Revised Statutes of 1950.

D. Nothing herein shall be construed as transferring those powers, functions and duties of the State Bond Commission which do not relate to the expending of funds for and administration of construction projects, specifically those functions contained in Acts 26² and 27³ of the 1968 Extraordinary Session and those functions of the State Board and Tax Board transferred to the State Bond Commission by R.S. 39:1408.

E. The obligations heretofore incurred by the State Bond and Building Commission, the Capital Construction and Improvement Commission, the Capital Outlay Budget Board and the State Bond Commission in connection with any construction contract or agreement shall be preserved and discharged by the Division of Administration.

All books, papers, records, money and other property heretofore possessed, controlled or used by the State Bond and Building Commission, the Capital Construction and Improvement Commission, the Capital Outlay Budget Board and the State Bond Commission in the exercise of the functions hereby transferred, and, to the extent practicable and needed for purpose hereof, all employees heretofore engaged in the performance of such functions, are hereby transferred to the Division of Administration.

F. The transfer provided for in this section shall be accomplished not later than January 1, 1974, and those funds made available to the State Bond Commission and the Capital Outlay Budget Board which were to be expended by them in carrying out those functions hereby transferred shall be transferred to and used by the Division of Administration in carrying out these functions.

G. The special fund account created by the provisions of Section 3 of Act 73 of the 1965 Regular Session of the Louisiana Legislature⁴ is hereby abolished and all funds on deposit in said account, including future monies derived from the sources specified in Act 73 of the 1965 Regular Session of the Legislature of Louisiana, shall be deposited into the state treasury in accordance with Article VII, Section 9 of the Louisiana Constitution of 1974.

Acts 1973, No. 164, §§1 to 6, emerg. eff. June 19, 1973 at 4 P.M. Amended by Acts 1976, No. 560, §1; Acts 1989, No. 836, §1, eff. July 1, 1989.

¹R.S. 39:1402 note.

²R.S. 39:1401-39:1406.

³R.S. 39:1361-39:1366.

⁴R.S. 39:465.3.

PART II. CAPITAL OUTLAY PROJECTS
SUBPART A. FACILITY PLANNING AND CONTROL SECTION
§1410.1. REPEALED BY ACTS 1989, NO. 836, §4, EFF. JULY 1, 1989.

§1410.2. REPEALED BY ACTS 1989, NO. 836, §4, EFF. JULY 1, 1989.

SUBPART B. STATE BOND COMMISSION

§1410.31. Agreements providing for outlay of funds for capital improvement or expenditure; State Bond Commission approval required; penalties

A. No agreement, including, but not limited to agreements of lease, lease-purchase or third party financing, shall be entered into by, on behalf of or with the state, directly or through any state board, department, commission, authority or agency, providing for the outlay of funds in excess of one hundred thousand dollars, in any fiscal year, beginning at the expiration of the fiscal year 1977-1978, for capital improvement or expenditure, including, but not limited to, equipment, buildings, land, machinery, renovations, major repairs and construction, without prior written approval of the State Bond Commission or its successor.

B. Any agreement, including, but not limited to agreements of lease, lease-purchase or third party financing, made in violation of the provisions of this Section shall be null and void, and unenforceable in the courts of this state.

C. The provisions of this Section shall not apply to capital outlay projects approved by the legislature pursuant to Article 7, Section 11(B) of the Louisiana Constitution of 1974, or to the expenditure of funds previously appropriated by the legislature, or to any multi-year agreement dealing with movable property containing an appropriation dependency clause which provides for no penalty upon termination or failure to fund.

D. Any officer, official, agent or employee of the state or of any state board, department, commission, authority or agency, who enters into an agreement in violation of the provisions of this Section; or who counsels, aids or abets such a violation knowingly; shall be fined not less than five hundred dollars and not more than one thousand dollars, and/or imprisoned for not less than sixty days nor more than six months.

E. In the event the State Bond Commission considers alternative methods for the acquisition of capital improvements, it shall approve the least expensive method of acquisition.

Added by Acts 1978, No. 578, §2, eff. July 12, 1978; Acts 1987, No. 747, §1.

§1410.32. Certificate of "impossibility or impracticality"

A. A project in the Capital Outlay Budget Act may be declared "impossible or impractical" by the State Bond Commission. A certificate showing reasons in sufficient detail shall be signed by the head of the Facility Planning and Control Section of the Division of Administration, secretary of the Department of Transportation and Development, the chairmen of the respective boards of commissioners of the various ports, or the head of the agency, political subdivision or board, whichever is appropriate, and filed with the State Bond Commission. Upon a determination by the State Bond Commission that proceeding with such a project or the funding thereof through the issuance of general obligation bonds is impractical or impossible, the Bond Commission may then proceed with a sale of general obligation bonds for other projects in the Capital Outlay Budget Act without regard to the priority of the unfunded projects determined to be impossible or impractical.

B. Upon recommendation by the appropriate person or agency, if it is determined at any time that proceeding with the project or with the funding thereof is no longer impossible or impractical, the Bond Commission may rescind the certificate of impossibility or impracticality and may proceed with the project or with the issuance of general obligation bonds to fund the project.

Acts 1986, No. 444, §1.

§1410.33. Notification to legislators

A. Whenever a certificate of impossibility and impracticality is filed with the Bond Commission and a hearing on that certificate is scheduled, the Bond Commission shall notify each member of the legislature within whose district the project is located in writing of the filing at least five business days prior to the scheduled hearing.

B. Whenever a request for a line of credit is received by the Bond Commission for a project included in the Capital Outlay Budget Act and a hearing of that request is scheduled, the Bond Commission shall notify each member of the legislature within whose district the project is located in writing of the request at least five business days prior to the scheduled hearing.

C. Whenever a resolution for the issuance of state general obligation bonds is to be heard by the Bond Commission, a list of the allocation of the proceeds of the sale shall be sent to each member of the legislature at least five business days prior to the approval of the resolution.

D. Upon the approval of the state treasurer and a member of the legislature, the Bond Commission may notify the member and submit the list, pursuant to the requirements of this Section, to the member by electronic means.

Acts 1986, No. 444, §1; Acts 1993, No. 697, §1; Acts 2001, No. 1032, §13.

PART III. ISSUANCE OF REVENUE ANTICIPATION NOTES
BY THE STATE BOND COMMISSION

§1410.41. Legislative findings

This legislature hereby finds that the state currently experiences and may hereafter experience fluctuations in revenues and expenditures and that, as a consequence thereof, temporary cash flow deficits could occur resulting in the temporary inability of the state to pay expenses from currently budgeted and appropriated revenues of its various funds. The purpose of this Part is to authorize the State Bond Commission to issue and sell revenue anticipation notes to avoid temporary cash flow deficits and to provide a working balance in the state general fund to enable the state to pay expenses in a timely manner from currently budgeted and appropriated revenues of the state general fund.

Acts 1991, No. 827, §1.

§1410.42. Definitions

As used in this Part, unless the context otherwise requires:

- (1) "Commission" means the State Bond Commission of the state.
- (2) "Fund" means the state general fund.
- (3) "Note" means any note or other evidence of borrowing made under the authority of

this Part.

Acts 1991, No. 827, §1.

§1410.43. Authority to issue and sell notes

A.(1) Notwithstanding any law to the contrary, and provided that the budget status report required by R.S. 39:75 reflects the state general fund balance not in a deficit posture, the commission may issue and sell from time to time notes payable from the anticipated cash, as reflected in the most recent official forecast of the Revenue Estimating Conference, income, and receipts to be credited by law to the state general fund and hereby authorized to be pledged thereto. No notice to or consent or approval by any other governmental body or public officer shall be required as a prerequisite to the issuance, sale, or delivery of any notes except as expressly provided in this Part, and the provisions of R.S. 39:1365 shall not be applicable to the issuance of the notes. The notes shall be authorized and issued pursuant to a resolution duly adopted by the commission which shall fix the details of the notes and set forth the covenants with respect to the payment and security for the notes consistent with the provisions of this Part.

(2) The proceeds of the notes may be applied for the payment of the costs for issuing the notes, for the payment of any expenditure otherwise payable from the revenue of the state general fund for the benefit of which the notes are issued, for the payment of the principal of, the interest on, or any premium due in connection with the redemption, purchase, or payment of any notes, or for the payment of any combination thereof. Pending such application, such proceeds may be invested or deposited as provided in this Part.

B. The commission has the following powers in order to accomplish any of the purposes of this Part, in addition to the powers otherwise granted by law:

(1) To issue notes for the purposes provided in this Part.

(2) To enter into contracts and agreements in connection with the notes, including but not limited to contracts providing for the purchase or repurchase of the notes.

(3) To do all things necessary and convenient to carry out the purpose of this Part and in connection with the issuance of notes.

C. REPEALED BY ACTS 1992, NO. 659, §2, EFF. JUNE 20, 1992.

D. All fees, expenses, and costs, including bond counsel fees, sales commissions, underwriting liability fees, management fees, attorneys fees, all other general and legal costs of issuance and credit support costs, and all other fees attendant to the issuance of revenue anticipation notes authorized herein shall be subject to prior review and written approval by the attorney general, the State Bond Commission, and the commissioner of administration before any such notes are issued.

Acts 1991, No. 827, §1; Acts 1992, No. 659, §§1, 2, eff. June 20, 1992.

§1410.45. Form and terms of notes

A.(1) Notes shall be issued in a form consistent with the provisions of this Part describing the fund and the revenue from which such notes are payable; however, in no event shall the notes be payable from any revenues other than those credited to the state general fund for the fiscal year in which the notes are issued. The notes shall mature not later than the last day of the fiscal year in which the same were issued; however, in the event that the notes are payable from revenues which will accrue and be credited to the state general fund for the fiscal year in which the notes are issued, but which will actually be received in the next succeeding fiscal year, the notes shall mature not later than August fourteenth of the next succeeding fiscal year, and in such event the debt service on such notes shall be deemed a bona fide liability of the state general fund existing as of the last day of the fiscal year in which the notes were issued, within the meaning of R.S. 39:82. The treasurer shall warrant the state general fund for the repayment of the notes when due, but only from revenues accrued to the state general fund for the fiscal year in which the notes were issued.

(2) The notes shall bear interest, if any, at a rate or rates determined by the commission to be to the best advantage of the state. The rate or rates of interest borne by the notes may be fixed, adjustable or variable, or any combination thereof. If any rate or rates are adjustable or variable, the standard, index, method, or formula pursuant to which the same are to be determined from time to time shall be set forth in the commission's resolution authorizing the issuance of the notes or otherwise approved by the commission. This standard, index, method, or formula may include a delegation of authority to an agent acting for and on behalf of the state to determine a rate or rates within parameters, including a maximum interest rate, prescribed by the commission in the resolution authorizing the issuance of the notes.

B. In connection with the issuance of any notes, the commission may direct the state treasurer to create such restricted accounts within any fund as may be necessary or convenient for the segregation of note proceeds and investment income therefrom, revenue and investment income therefrom, or other sums, and the commission may pledge any such accounts to and create liens thereon in favor of the registered owners or holders of the notes; provided that the aggregate amount of all such restricted accounts, other than those created for note proceeds and investment income therefrom, shall not exceed the principal and interest due at maturity on such notes. The notes shall recite therein such provisions as have been made for the security of the notes. In connection with such issuance, the commission may also make such covenants on behalf of the state as may be deemed appropriate by the commission to market and secure the notes.

C. Any pledge made by the commission shall be valid and binding from the time the pledge is made. The revenues and monies so pledged and thereafter received shall immediately be subject to the lien of such pledge without any physical delivery or further act, and the lien of such pledge shall be valid and binding against all parties having claims of any kind in tort, by contract or otherwise against such pledging parties, irrespective of whether such claiming parties have notice of such lien. The resolution or other instrument by which a pledge is created need not be recorded.

Acts 1991, No. 827, §1.

§1410.46. Execution of notes

The notes shall be executed in such manner as may be provided by the resolution authorizing their issuance.

Acts 1991, No. 827, §1.

§1410.47. Manner of sale of notes

Notes may be sold at public sale on a competitive bid basis or at negotiated sale and may be sold at such price as determined by the commission.

Acts 1991, No. 827, §1.

§1410.48. Contest period

A. Within thirty days after publication of the notice of intention to issue notes, any person in interest may contest the legality of the resolution, any provision of the notes to be issued pursuant to it, the provisions securing the notes, and the validity of all other provisions and proceedings relating to the authorization and issuance of the notes, by filing, answering, or intervening into a motion for judgment as provided for at R.S. 13:5121 et seq.

B. If no action or proceeding is instituted within this thirty-day period, no person may contest the validity of the notes, the provisions of the resolution pursuant to which the notes were issued, the security of the notes, or the validity of any other provisions or proceedings relating to their authorization and issuance, and the notes shall be presumed conclusively to be legal. Thereafter, no court shall have authority to inquire into such matters.

C. If an action or proceeding is instituted within this thirty-day period, a final decree or judgment of any court of competent jurisdiction shall constitute a permanent injunction against the institution by any person of any action or proceeding contesting the validity of the notes or any other matter adjudicated or which might have been called into question in such proceedings. Thereafter, no court, regardless of whether the thirty-day period shall have expired, shall have authority to inquire into such matters.

Acts 1991, No. 827, §1.

§1410.49. Investment of proceeds; income therefrom

The state treasurer is authorized to invest and reinvest the proceeds of the notes in any securities which are legal investments for the state general fund. The income from any such investment shall be credited to the state general fund and shall be retained therein for application for any purpose for which said fund is created or used to pay debt service on the notes.

Acts 1991, No. 827, §1.

§1410.50. No full faith and credit debt created

Notes shall be payable solely from the revenues pledged thereto, and the registered owners or holders of the notes may not look to any other source for repayment of the principal of or interest on the notes. In every case, the revenues pledged shall be those which are the subject of appropriation for the current fiscal year and are yet to be credited to the applicable fund. The cash, income, and receipts authorized to be pledged to the repayment of the notes authorized hereby, which are not issued in accordance with the provisions of Article VII, Section 6(A) of the Constitution of Louisiana, are the cash, income, and receipts derived from those sources described in Article VII, Section 6(C) of the Constitution of Louisiana. "An undertaking" within the meaning of said Section 6(C) is hereby defined to include the operation and business of the state. Unless issued in accordance with the provisions of Article VII, Section 6(A) of the Constitution of Louisiana, the notes shall not constitute a full faith and credit obligation or indebtedness of the state within the meaning of any provision of the constitution or statutes.

Acts 1991, No. 827, §1.

§1410.51. Notes as legal investment and eligible collateral

Notwithstanding the provisions of any other statute to the contrary, notes shall be legal investments for any political subdivision or public body of the state and shall be eligible for use as collateral for deposits of public funds.

Acts 1991, No. 827, §1.

§1410.52. Exemption from taxes

All notes authorized to be issued pursuant to the provisions of this Part, together with interest thereon, income therefrom, and gain upon the sale thereof, shall be exempt from state and local taxes.

Acts 1991, No. 827, §1.

§1410.53. Construction with other statutes

The powers conferred by this Part constitute an additional and separate grant of powers for the issuance and payment of the notes and all other acts in connection therewith authorized by this Part. If there is any inconsistency between the provisions of this Part and any other law, the provisions of this Part shall control.

Acts 1991, No. 827, §1.

PART IV. LOCAL GOVERNMENT FINANCES

§1410.60. Approval of application; incurring indebtedness

A. No parish, municipality, public board, political or public corporation, subdivision, taxing district, and no road or subroad district, school district, sewerage district, drainage or subdrainage district, levee district, waterworks or subwaterworks district, irrigation district, road lighting district, harbor and terminal district, or any other political subdivision, taxing district, political or public corporation, created under or by the constitution and laws of the state shall have authority to borrow money, incur debt, or to issue bonds, or other evidences of debt, or to levy taxes, or to pledge uncollected taxes or revenues for the payment thereof, where they are authorized by the constitution or laws of the state so to do, without the consent and approval of the State Bond Commission.

B.(1) The provisions of this Section shall not apply to purchases made in the ordinary course of administration on terms of credit not to exceed ninety days.

(2) In order to facilitate the review process for approval of financing of the purchases of movables, the State Bond Commission shall adopt rules and regulations to provide for an expedited review procedure for certain categories of such financing and shall determine which financing is to be reviewed under the expedited procedure.

C.(1) As used in this Section, the term "debt" or "evidence of debt" shall not include a lease of a movable or an installment purchase agreement financing the purchase of a movable if the lease or installment purchase agreement contains a nonappropriation clause, and does not contain an anti-substitution or penalty clause; provided that if such lease or installment purchase agreement is entered into in conjunction with the issuance of bonds, notes, certificates, or other obligations which would otherwise be required to be approved by the State Bond Commission, State Bond Commission approval of such financing transaction shall continue to be required.

(2) In order to facilitate the review process for approval of leases of movables that are not excluded from the term "debt" as provided in this Section, the State Bond Commission shall adopt rules and regulations to provide for an expedited review procedure for certain categories of such leases and shall determine which leases are to be reviewed under the expedited procedure.

Acts 1990, No. 500, §1, eff. July 18, 1990; Acts 1991, No. 653, §1; Acts 1997, No. 360, §1; Acts 1999, No. 1364, §1.

§1410.61. Approval of application; special fiscal elections

Before incurring any debt, holding any election to authorize the incurring of any debt or the levy of any special tax, borrowing any money for any purpose whatever, issuing any bonds or other evidences whatever of debt, levying any tax or pledging any tax or revenue or income for the payment of any such bonds or debt, where they are authorized so to do by the constitution and the laws of this state, every such governmental agency of the state of Louisiana named in R.S. 39:1410.60 shall obtain the consent and approval of the commission.

Acts 1990, No. 500, §1, eff. July 18, 1990.

§1410.62. Delinquent payments or fund transfers on outstanding indebtedness; notification to commission

All parishes, municipalities, and any other unit of local government, including but not limited to school boards and special districts, authorized by law to perform governmental functions, as well as any political subdivision creating same, shall notify the commission, in writing, whenever:

(1) Transfers to any funds required to be established by resolution authorizing the issuance of bonds, certificates of indebtedness, or otherwise authorizing the incurring of indebtedness, have not been made timely.

(2) Principal, interest, premiums, or other payments due on outstanding indebtedness have not been made timely.

Acts 1990, No. 500, §1, eff. July 18, 1990.

§1410.63. Penalties for violation

A. Any contract, debt, obligation, bond, or other evidence of indebtedness whatsoever, incurred or issued in violation of this Part, and without the consent and approval of the commission shall be null and void, and no court of this state shall have jurisdiction to enforce the payment thereof, or of any suit or other proceeding affecting or involving the same.

B. Any person or any officer, agent, or employee of any governmental agency named in R.S. 39:1410.60, who violates this Part, or who counsels, aids, or abets the violation thereof, or who participates with others, or who engages or attempts to engage, in the borrowing or lending of, or any attempt to borrow or lend any money, the calling of any election, the incurring of any debt, the issuing or negotiation or sale of any bond or other evidence of debt whatsoever, the levying of any tax, the mortgaging of any land, building, machinery, and equipment, or the pledge of any tax, income, or revenues, without the consent and approval, first hand and obtained, of the commission, shall be fined not less than one hundred dollars and not more than five hundred dollars, and imprisoned for not more than six months.

Acts 1990, No. 500, §1, eff. July 18, 1990.

§1410.64. Approval of petitions in bankruptcy court

No petition in relation to the readjustment of the debts of any agency of the state of Louisiana included in the provisions of R.S. 39:1410.60 shall be received or filed in the courts of bankruptcy of the United States unless accompanied by the written consent of the commission, and no such plan of readjustment shall be put into temporary effect or finally confirmed without the written approval of the commission of such plans.

Acts 1990, No. 500, §1, eff. July 18, 1990.

§1410.65. Applications of provisions

The provisions of this Part shall extend and apply to any debt incurred or bond or other evidence of debt issued by any such governmental agency named in R.S. 39:1410.60, although the same has been authorized by an election of the qualified electors, although the same is being incurred or issued without an election or by agreement with the lender that no election shall be required, or although the same is otherwise incurred or issued under any provision of the constitution or laws of this state, including any and all charters of municipalities.

Acts 1990, No. 500, §1, eff. July 18, 1990.

§1410.66. Filing of bond transcripts

A. Within six months of the closing of a bond issue or other evidence of debt by a political subdivision, the bond counsel shall transmit the bond transcript to the political subdivision. A copy of the transmittal letter shall also be filed with the State Bond Commission.

B. Any bond counsel who violates this Section shall be subject to a civil penalty of not more than five thousand dollars as determined by the State Bond Commission. The State Bond Commission shall adopt rules and regulations to provide for the enforcement of this civil penalty.

C. For purposes of this Section:

(1) "Bond transcript" shall mean all relevant documents related to the bond or debt issue, including but not limited to the authorizing ordinance or resolution, debt instrument, amortization schedule, indenture or loan agreement, publication notice, bond counsel opinion, and special tax counsel opinion.

(2) "Political subdivision" shall mean municipalities, parishes, and school boards.
Acts 1999, No. 508, §1.

CHAPTER 13. SECURITIES OF PUBLIC ENTITIES

§1421. Definitions

As used in this Chapter, the following words and terms shall have the meaning hereinafter ascribed to each:

(1) "Securities" means bonds, notes, certificates or other written obligations for the repayment of borrowed money, including obligations to refund any of the foregoing.

(2) "Public entities" means: (a) state boards, agencies or commissions, parishes, municipalities, parish and municipal school boards and districts, levee boards and districts, port boards and commissions, port, harbor, terminal and industrial districts, drainage and land reclamation districts, all special service districts including, but not limited to, road, water, sewerage, fire protection, recreation, hospital service, gas utility and garbage districts; (b) all other political subdivisions, special authorities, commissions, public trusts and boards heretofore or hereafter created by or pursuant to the constitution or statutes of the state, any laws incorporated into or ratified or confirmed by the constitution, or general or special charters of any parish or municipality; and (c) all other units of local government created by or governed by the governing authorities of parishes or municipalities.

(3) "Credit enhancement devices" means municipal bond insurance, bank guarantees, surety bonds, letters of credit, contracts commonly known as interest rate swap agreements, forward payment conversion agreements, futures or contracts providing for payments based on levels of or changes in interest rates, contracts to exchange cash flows or a series of payments or contracts, including without limitation options, puts or calls to hedge payment, rate, spread, or similar exposure and other devices to enhance the credit quality of securities of public entities.

(4) "Revenue bonds" shall mean bonds or other debt obligations payable from and secured solely by a pledge of the income and revenues derived or to be derived from fees, rates, rentals, tolls, charges, grants, or other receipts, income or revenues derived from any properties or facilities belonging to a public entity or the use thereof.

Acts 1975, 1st Ex.Sess., No. 19, §1, eff. Jan. 28, 1975. Amended by Acts 1980, No. 410, §1, eff. July 18, 1980; Acts 1980, No. 412, §1, eff. July 18, 1980; Acts 1985, No. 727, §1, eff. July 16, 1985; Acts 1989, No. 758, §1; Acts 2001, No. 128, §14, eff. July 1, 2001.

§1422. Legislative intent

It is the intent of the Legislature in enacting this law to establish uniform provisions relating to maximum interest rates and advertising for bids for public sale of securities of public entities so as to assist public entities in marketing their securities under frequently changing money market conditions over which they have no control.

Acts 1975, 1st.Ex.Sess., No. 19, §2, eff. Jan. 28, 1975.

§1423. Application of provisions

The provisions of this Chapter, relating to maximum interest rates and advertising for bids shall supersede: (1) those provisions of the Louisiana Constitution of 1921 continued as statutes under the authority of Article XIV of the Louisiana Constitution of 1974; and (2) all other laws of the state of Louisiana relating to the issuance of securities by public entities.

Acts 1975, 1st Ex.Sess., No. 19, §3, eff. Jan. 28, 1975.

§1424. Maximum interest rates for securities

Notwithstanding any maximum interest rate limitation which may be set forth in any other law, the following shall constitute the maximum interest rates for securities issued by public entities:

(1) Notwithstanding any other law to the contrary, for those securities which are required to be authorized at an election, the maximum rate shall be as provided for in the proposition approved at the election, including but not limited to, stating the maximum fixed interest rate therein or incorporating it by reference to applicable state law.

(2) For all other securities the maximum interest rate shall be the maximum rate set forth in the resolution or other instrument providing for their issuance adopted by the governing authority of the public entity and approved by the State Bond Commission.

Acts 1975, 1st Ex.Sess., No. 19, §4, eff. Jan. 28, 1975. Amended by Acts 1980, No. 413, §1, eff. July 18, 1980; Acts 1985, No. 727, §2, eff. July 16, 1985.

§1424.1. Variable, adjustable, noninterest bearing, or zero interest rate securities

A. Notwithstanding any other provision of law to the contrary, public entities are hereby authorized to issue, in addition to fixed interest rate securities, variable interest rate securities or adjustable interest rate securities based upon: (1) a ratio or percentage of prime lending rates of commercial banks, federal fund rates, bank discount rates, yields on United States Treasury obligations, rates paid by banks on certificates of deposit, cost-of-living or price indexes or any combination thereof, or (2) any other type formula or contractual arrangement for the periodic determination of interest rates, all as may be established in the instrument providing for the issuance of such securities and approved by the State Bond Commission.

B. Notwithstanding any other provision of law to the contrary, public entities are hereby authorized to issue noninterest bearing securities or securities bearing interest at a rate of zero percent and to sell the same at such price or prices as may be determined by the governing authority of the issuer of such securities.

C. Notwithstanding any other provisions of law to the contrary, when variable or adjustable interest rate securities are issued or are proposed to be issued in accordance with this Chapter, for the purpose of calculating or determining the total amount of principal and interest falling due on the securities in any year or the maximum interest rate for those securities which are required to be authorized at an election, public entities may estimate a maximum interest rate and this estimate shall be deemed conclusive.

Added by Acts 1980, No. 413, §2, eff. July 18, 1980. Amended by Acts 1982, No. 513, §1, eff. July 22, 1982; Acts 1985, No. 727, §3, eff. July 16, 1985.

§1425. Maximum interest rates for securities previously authorized at an election

Any bonds heretofore authorized at an election at which the proposition approved by the electors specified a maximum interest rate higher than the maximum interest rate permitted by laws in effect at the time of said election may be issued at a maximum rate of interest not exceeding the rate set forth in said proposition subject to the approval of the State Bond Commission.

Acts 1975, 1st.Ex.Sess., No. 19, §5, eff. Jan. 28, 1975.

§1426. Advertising for public sale of securities; private sale of securities

A. Notwithstanding any other requirement of law to the contrary, in every case where securities of public entities are required by law to be sold at public sale upon sealed bids after advertisement, the notice calling for bids shall be published in accordance with the following requirements. A general notice of the sale of the securities containing the maximum amount of securities to be offered, the source of payment therefor, and such other details as the governing authority of the issuer deems appropriate shall be published one time at least seven clear calendar days before the date scheduled for the receipt of bids for the securities in a newspaper of general circulation published in the parish where the public entity issuing the securities is located or has its domicile. Another notice containing the definitive amount of securities to be sold and such other bidding details as may be deemed appropriate by the governing authority of the issuing entity shall be published at least forty-eight hours in advance of the date scheduled for receipt of bids for the securities one time in either a newspaper of general circulation or a financial journal or newspaper containing a section devoted to municipal bond news published in either of the cities of New Orleans, Louisiana, or New York, New York.

B. Notwithstanding the provisions of any other law relating to the issuance of revenue bonds of public entities, revenue bonds may be sold at public sale as provided in Subsection A of this Section or may be sold at private sale in the manner determined by the governing authority of the issuer of such bonds, provided the issuance of the revenue bonds is approved by the State Bond Commission, and in the case of a private sale, is approved by two-thirds of the members present and voting of the State Bond Commission.

C. Notwithstanding the provisions of any other law relating to the issuance of variable or adjustable interest rate securities of public entities, these securities may be sold at public sale as provided in R.S. 39:1426(A) or may be sold to a public trust, organized pursuant to state law having for its beneficiary the state, at a private sale in the manner determined by the governing authority of the issuer of the securities, provided such sale is approved by the State Bond Commission, and in the case of a private sale, is approved by two-thirds of the members of the commission.

D. Notwithstanding the provisions of any other law relating to the issuance of general obligation bonds by political subdivisions or the issuance by political subdivisions of any other bonds or indebtedness secured in whole or in part by ad valorem taxes, all such general obligation bonds or other such bonds or indebtedness may be sold as provided for in Subsection A of this Section or may be sold at private sale in the manner determined by the governing authority of the issuer thereof; provided the issuance of any such general obligation bonds or other such bonds or indebtedness is approved by the State Bond Commission, and in the case of a private sale, is approved by two-thirds of the members present and voting of the State Bond Commission. For purposes of this Subsection, the terms "general obligation bonds" and "political subdivisions" shall have the meanings ascribed to them in Article VI, Section 44 of the Constitution of Louisiana.

Acts 1975, Ex.Sess. No. 19, §6, eff. Jan. 28, 1975. Amended by Acts 1977, No. 389, §1, eff. July 10, 1977; Acts 1980, No. 410, §2, eff. July 18, 1980; Acts 1982, No. 513, §1, eff. July 22, 1982; Acts 1985, No. 727, §4, eff. July 16, 1985; Acts 1988, No. 1000, §1, eff. July 29, 1988; Acts 2010, No. 903, §1.

§1427. Form in which securities may be issued

Notwithstanding any other law to the contrary, securities may be issued in any one or more of the following forms: (a) payable to bearer with coupons attached for the payment of interest, subject to registration as to principal only or as to both principal and interest; and (b) fully registered without coupons which may be subject to conversion into coupon securities.

Added by Acts 1977, No. 390, §1, eff. July 10, 1977.

§1428. Price at which securities may be sold

A. It is the intent of the legislature to make uniform those portions of existing laws relating to the price at which securities may be sold, it being recognized by the legislature that there are differences in the prices at which securities may be sold in the various existing laws authorizing the issuance of securities.

B. Notwithstanding any limitations set forth in any other law relating to the issuance of securities by public entities, all securities may be sold at such price or prices as may be determined by the governing authority of the issuer of such securities provided the issuance of the securities is approved by the State Bond Commission.

C. Repealed by Acts 1985, No. 727, §5, eff. July 16, 1985.

Added by Acts 1980, No. 252, §1, eff. July 12, 1980. Amended by Acts 1982, No. 513, §1, eff. July 22, 1982; Acts 1985, No. 727, §5, eff. July 16, 1985.

§1429. Credit enhancement, purchase and payment; authorization

A. It is the intent of the legislature to facilitate the use of credit enhancement devices in connection with the sale of securities only in those instances where it can be financially advantageous to public entities issuing the securities, it being recognized that in certain instances the marketability of securities may be enhanced and interest costs thereon reduced by the use of credit enhancement devices.

B. Upon a finding by the governing authority of benefit therefrom, a public entity may enter into contracts with providers of credit enhancement devices respecting any securities issued by these public entities and may pay all the cost thereof from the proceeds of the sale of the securities or from other lawfully available funds.

Added by Acts 1980, No. 412, §1, eff. July 18, 1980; Acts 1985, No. 727, §6, eff. July 16, 1985.

§1430. Revenue bonds and security therefor

A. Notwithstanding any provision of law to the contrary, public entities may issue revenue bonds for any authorized purpose payable out of the income, revenues, and receipts derived or to be derived from the properties and facilities owned, leased, mortgaged, or pledged to, maintained or operated by the public entity or received by the public entity from these properties and facilities, or from contracts or agreements relating to these properties and facilities, including but not limited to lease or sublease agreements, sale agreements, loan agreements, pledge agreements, or other financing agreements, between that public entity or any entity, or from any other sources whatsoever, including but not by way of limitation sales tax revenues, provided annual debt service is not in excess of seventy-five percent of the sales tax revenues estimated to be received in the calendar year the bonds are issued, other monies which, by law or contract, may be made available to the public entity. No filing with respect to the pledge of income and revenues to the payment of revenue bonds issued under the constitution or any statute of this state need be made under Chapter 9 of Title 10 of the Louisiana Revised Statutes of 1950, as amended.

B. Nothing contained in this Section is or shall be construed as a restriction or a limitation upon any powers which any public entity might otherwise have under any laws of this state. This Section shall be regarded as supplemental and additional to powers conferred by other laws.

Added by Acts 1982, No. 513, §1, eff. July 22, 1982; Acts 1985, §727, §7, eff. July 16, 1985; Acts 1988, No. 619, §1; Acts 1989, No. 137, §14; Acts 1989, No. 598, §4, eff. Sept. 1, 1989.

{{NOTE: ACTS 1989, NO. 137, §14 SUPERSEDED BY ACTS 1989, NO. 598, §9.}}

§1430.1. Security interests by public entities

Any pledge of and grant of security interest in taxes, income, revenues, monies, loan payments, reimbursement payments, or receipts, including without limitation water, gas, garbage, electricity or sewer charges, fees, receipts, rates, rentals, excess revenues, general fund monies or hospital revenues, or loan agreements, reimbursement agreements, or other financing agreements or related contract rights, made by a public entity in connection with the issuance of securities shall be valid, binding, and perfected from the time when the pledge is made. The taxes, income, revenues, monies, payments, or receipts or agreements or contract rights so pledged and then held or thereafter received by the public entity or any fiduciary shall immediately be subject to the lien of such pledge and security interest without any physical delivery thereof or further act, and the lien of such pledge and security interest shall be first priority and valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the public entity, whether or not such parties have notice thereof. Neither the resolution nor any trust agreement or issuing document by which such pledge and security interest is created need be filed or recorded. No filing with respect to such pledge and security interest made by a public entity need be made under Chapter 9 of the Louisiana Commercial Laws, R.S. 10:9-101 et seq., for the perfection or priority of such pledge and security interest.

Acts 2001, No. 128, §14, eff. July 1, 2001; Acts 2004, No. 303, §4.

CHAPTER 13-A. FULLY REGISTERED SECURITIES
OF PUBLIC ENTITIES

§1431. Definitions

As used in this Chapter, the following terms shall have the meanings ascribed to each:

(1) "Fully registered form" means securities which are registered as to the ownership of both the principal, interest, and premium, if any, thereon in any one or more of the following forms:

(a) by the utilization of a registrar/transfer agent or by the public entity;

(b) a book entry system, whether computerized or otherwise, or other system for recording the ownership of the principal, interest, and premium, if any, that identifies the owner of any interest in securities;

(c) a single security representing an entire issue of securities held by a financial institution or other person as trustee or agent with the ownership interest in such security being in fully registered form as provided for in this Chapter;

(d) any other form pursuant to which the ownership of and payment of principal, interest, and premium, if any, on securities are registered.

(2) "Issuing resolution" means a resolution, ordinance, or other instrument or proceeding providing for the issuance of securities.

(3) "Public entities" means:

(a) the state of Louisiana and state departments.

(b) state boards, agencies, or commissions; parishes; municipalities; parish and municipal school boards and districts; levee boards and districts; port boards and commissions; port, harbor and terminal and industrial districts; drainage and land reclamation districts; all special service districts including, but not limited to, road, water, sewerage, fire protection, recreation, hospital service, ambulance, gas utility, and garbage districts.

(c) all other political subdivisions, special authorities, public trusts, industrial development boards, commissions, and boards heretofore or hereafter created by or pursuant to the constitution or statutes of the state, any laws incorporated into or ratified or confirmed by the constitution, or general or special charters of any parish or municipality.

(d) all other units of local government created by or governed by the governing authorities of parishes or municipalities.

(4) "Securities" means bonds, notes, certificates, or other obligations for the repayment of borrowed money, including obligations to refund any of the foregoing.

Added by Acts 1983, 1st Ex. Sess., No. 34, §1, eff. Jan. 19, 1983.

§1432. Legislative intent

The intent of the Legislature in enacting this Chapter is to establish uniform provisions for the issuance, execution, registration, and transfer of securities of public entities in fully registered form, and to permit such public entities to use the most technologically advanced and efficient techniques for issuance, transfer, and registration processes.

Added by Acts 1983, 1st Ex. Sess., No. 34, §1, eff. Jan. 19, 1983.

§1433. Application of provisions

The provisions of this Chapter shall supersede all other laws of the state of Louisiana relating to the issuance, execution, registration, transfer, and payment of securities of public entities in fully registered form.

Added by Acts 1983, 1st Ex. Sess., No. 34, §1, eff. Jan. 19, 1983.

§1434. Issuance, execution, and transfer of fully registered securities

A. Notwithstanding any other laws to the contrary, public entities may issue securities in fully registered form and provide for their execution, registration, and transfer in accordance with the terms and conditions prescribed by the issuing resolution.

B. Without regard to any other provision of law relating to the signing of securities, including, but not by way of limitation, R.S. 39:473, at the time of their original issuance all securities in fully registered form may be signed with facsimile signatures if provision is also made for a manual authenticating signature by a designated bank or other financial institution or person; however, if no such provision is made for an authenticating signature, all such securities shall be signed with a manual signature of an officer of the issuing entity designated in the issuing resolution. After the original issuance of securities in fully registered form all subsequent transfers thereof need not bear manually subscribed signatures or endorsements.

C. Notwithstanding the foregoing, no signature or endorsement by the issuing entity or any other person or state official shall be required upon original issuance or subsequent transfer in the event that a book entry system or similar system is to be utilized for registration, transfer, or exchange of securities in fully registered form in accordance with the issuing resolution.

Added by Acts 1983, 1st Ex. Sess., No. 34, §1, eff. Jan. 19, 1983.

§1435. Contractual services; exemption; payment

A. Public entities may contract for the services of a financial institution or other person, located in or out of the state, to perform any or all of the following functions with respect to an issue of fully registered securities and such contractual arrangement shall be exempt from the public contracts law, R.S. 38:2181-2317, and the Louisiana Procurement Code, R.S. 39:1551-1755:

(a) authentication, transfer, registration, exchange, mechanical, clerical functions, and any other duty or function of a ministerial, record keeping, or mechanical nature relating to the issuance of securities;

(b) record or bookkeeping or book entry functions;

(c) preparation, signing, and issuance of checks or warrants in payment of debt service or other obligations of the public entity issuing the securities;

(d) preparation and maintenance of reports and accounts;

(e) performance of other duties related to the issuance and payment of the securities.

B. The cost of said functions, whether incurred under a contract or through direct performance by the issuing public entity, may be paid from the proceeds of the sale of the securities or from other funds lawfully available for such purpose.

C. The records of ownership, registration, transfer, and exchange of the aforesaid registered securities and of persons to whom payment with respect to such securities is made shall be exempt from the public records law, Title 44 of the Louisiana Revised Statutes.

Added by Acts 1983, 1st Ex. Sess., No. 34, §1, eff. Jan. 19, 1983.

§1436. Pledge and assignment of registered securities

Any form provided for in this Chapter to fully register securities may include a method of registering pledges or assignments of the securities, and such registration shall effect delivery and notification of the pledged or assigned securities as required by law.

Acts 1983, No. 699, §1.

§1437. Registration requirements

Notwithstanding any other law to the contrary, securities in fully registered form, other than general obligation and sales tax bonds, need not be registered with any state, parish, or local department, agency, or official. General obligation and sales tax bonds, except those issued in fully registered form using a book entry system, shall, upon the original issuance thereof only, continue to be registered with the Secretary of State in accordance with R.S. 39:911 and R.S. 39:698.9. Any other statutes requiring registration of securities with any state, parish, or local official or state, parish, or local agency or department shall not be applicable to any securities of public entities.

Acts 1983, No. 699, §1.

CHAPTER 14. DEFEASANCE OF SECURITIES
OF PUBLIC ENTITIES

§1441. Definitions

As used in this Chapter, the following terms shall have the following meanings:

A. "Securities" means bonds, notes, certificates, or other written obligations for the repayment of borrowed money, including obligations to refund any of them.

B. "Public entities" means: (1) the state of Louisiana, state departments, boards, commissions, or agencies; parishes; municipalities; parish and municipal school boards and districts; levee boards and districts; port boards and commissions; port, harbor, terminal and industrial districts; drainage and land reclamation districts; all special service districts, including but not limited to road, water, sewerage, fire protection, recreation, hospital service, gas utility, and garbage districts; (2) all other political subdivisions, special authorities, commissions, and boards heretofore or hereafter created by or pursuant to the constitution or statutes of the state, any laws incorporated into or ratified or confirmed by the constitution, or general or special charters of any parish or municipality; and (3) any other unit of local government created or governed by the governing authority of any parish or municipality.

Added by Acts 1978, No. 381, §1, eff. July 12, 1978.

§1442. Defeasance of securities of a public entity

A. Securities of a public entity shall be defeased and shall be deemed to be paid and shall no longer be considered to be outstanding under the instrument providing for their issuance, and the covenants, agreements, and obligations contained in the instrument providing for their issuance shall be discharged if one of the following shall occur:

(1) There is deposited in an irrevocable trust with a bank which is a member of the Federal Deposit Insurance Corporation, or its successor, or with a trust company, monies in an amount sufficient to pay in full the principal of and interest and call premiums, if any, on such securities to their stated maturity or to the date fixed for their redemption, if such securities are callable for redemption prior to their stated maturities and irrevocable provision has been made for the call thereof.

(2) There is deposited in an irrevocable trust with a bank which is a member of the Federal Deposit Insurance Corporation, or its successor, or with a trust company, noncallable direct general obligations of the United States of America or obligations unconditionally guaranteed in principal and interest by the United States of America, including certificates or other evidence of an ownership interest in such noncallable direct obligations, which may consist of specified portions of interest thereon, such as those securities commonly known as CATS, TIGRS, and STRPS, the principal of and interest on which, when added to other monies, if any, deposited therein, shall be sufficient to pay when due the principal of and interest and call premiums, if any, on such securities to their stated maturity or to the date fixed for redemption, if such securities are callable for redemption prior to their stated maturities and irrevocable provision has been made for the call thereof.

B. Neither the obligations, the moneys deposited with the bank pursuant to this Section, nor the principal or interest payments on any such obligations shall be withdrawn or used for any purpose other than and they shall be held in trust for the payment of the principal of and premium, if any, and interest on the securities defeased. The holders of the securities which are so defeased shall have an express lien on such moneys or governmental obligations until paid out, used, and applied in accordance with this Section.

Added by Acts 1978, No. 381, §1, eff. July 12, 1978; Acts 1988, No. 764, §1, eff. July 15, 1988; Acts 1999, No. 297, §1.

§1443. Effect of defeasance

Securities of the public entity which have been defeased as provided in R.S. 39:1442 shall no longer be considered as outstanding in computing any constitutional or statutory debt limitation with respect to the issuance of securities by such entity, and the public entity shall be released from the covenants, agreements, and obligations contained in the instrument authorizing such securities.

Added by Acts 1978, No. 381, §1, eff. July 12, 1978.

CHAPTER 14-A. REFUNDING OF SECURITIES
OF PUBLIC ENTITIES

§1444. Definitions

As used in this Chapter, the following terms shall have the following meanings:

(1) "Credit enhancement device" means a letter of credit, bank guarantee, municipal bond insurance, surety bond, or any other device designed to improve the credit quality and marketability of securities.

(2) "General obligation bonds" means bonds payable from ad valorem taxes levied by the issuer without limit as to rate or amount and to the payment of which bonds the full faith and credit of the issuer may also be pledged.

(3) "Issuer" means the public entity issuing refunding bonds.

(4) "Limited tax bonds" means bonds payable from any taxes other than unlimited ad valorem taxes.

(5) "Public entities" or "public entity" means any one of the following, acting alone or in conjunction with any other:

(a) State boards, commissions, or agencies; parishes; municipalities; parish and municipal school boards and districts; levee boards and districts; port boards and commissions; port, harbor, terminal, and industrial districts; drainage and land reclamation districts; all special service districts, including but not limited to road, water, sewerage, fire protection, recreation, hospital service, gas utility, and garbage districts; public trusts; and industrial development boards;

(b) All other political subdivisions, special authorities, commissions, and boards heretofore or hereafter created by or pursuant to the constitution or statutes of the state, any laws incorporated into or ratified or confirmed by the constitution, or general or special charters of any parish or municipality; and

(c) Any other unit of local government created or governed by the governing authority of any parish or municipality.

(6) "Refunding bonds" means any securities issued to refund outstanding securities.

(7) "Revenue bonds" means securities payable from and secured solely by a pledge of the income and revenues derived or to be derived from fees, rates, rentals, tolls, charges, grants, or other receipts, income, or revenues derived from any properties or facilities belonging to or leased by a public entity or from obligations owed to such entity or from obligations arising in connection with an undertaking, facility, project, or any combination thereof.

(8) "Securities" means bonds, notes, certificates, or other written obligations for the repayment of borrowed money.

Acts 1984, No. 352, §1, eff. July 2, 1984.

§1445. Authorization of refunding bonds

Subject to the approval of the State Bond Commission and without reference to any other provisions of the laws of Louisiana and in addition to any other authority therefor, any public entity is hereby authorized to issue refunding bonds for the purpose of refunding, readjusting, restructuring, refinancing, extending, or unifying the whole or any part of its outstanding securities in an amount sufficient to provide the funds necessary to effectuate the purpose for which the refunding bonds are being issued and to pay all costs associated therewith.

Acts 1984, No. 352, §1, eff. July 2, 1984.

§1446. Manner of issuance of refunding bonds

A. The refunding bonds shall be issued pursuant to a resolution or an ordinance adopted by the governing body of the issuer, which resolution or ordinance shall fix all details of the refunding bonds, including their form, terms, repayment schedule, and redemption features. The refunding bonds may be issued as part of a multi-purpose issue.

B. The governing body of the issuer shall have authority to adopt all proceedings necessary for the authorization, sale, and delivery of the bonds, including the right to enter into all contractual arrangements as may be necessary to effectuate the purpose for which the refunding bonds are being issued upon terms determined by the governing body of the issuer to be advantageous and beneficial to the issuer.

Acts 1984, No. 352, §1, eff. July 2, 1984.

§1447. Security for refunding bonds

A. The refunding bonds issued to refund outstanding revenue bonds or limited tax bonds may be secured in the same manner as the securities being refunded or may be secured in such other manner as may be prescribed by the governing body of the issuer; provided, however, if such refunding bonds are to be secured by the full faith and credit of the issuer, they must be authorized at an election held by the issuer in accordance with the requirements of the constitution and laws of Louisiana pertaining to elections for the issuance of general obligation bonds.

B. Any general obligation refunding bonds issued to refund outstanding general obligation securities shall be authorized in accordance with Article VI, Section 33(A) of the Louisiana Constitution of 1974 and, subject to the provisions thereof, shall be issued in accordance with the provisions of this Chapter.

Acts 1984, No. 352, §1, eff. July 2, 1984.

§1448. Additional security

Refunding bonds issued under this Chapter may be secured additionally by credit enhancement devices, the cost of which, upon a finding of benefit therefrom by the governing body of the issuer, may be paid from the proceeds of the refunding bonds or other lawfully available funds. The refunding bonds may also be secured by a trust agreement or trust indenture by and between the issuer and one or more corporate trustees.

Acts 1984, No. 352, §1, eff. July 2, 1984.

§1449. Sale of refunding bonds

Refunding bonds may be sold at either public or negotiated sale for such price as may be determined by the governing body of the issuer and approved by the State Bond Commission.

Acts 1984, No. 352, §1, eff. July 2, 1984.

§1450. Interest rates of refunding bonds

Refunding bonds shall bear interest at such rate or rates as are set forth in the resolution or ordinance authorizing the issuance of the bonds but such interest rate or rates shall be governed by the provisions of R.S. 39:1424 and 1424.1.

Acts 1984, No. 352, §1, eff. July 2, 1984.

§1451. Publication of resolution or ordinance; peremption

A. Any resolution or ordinance authorizing the issuance of refunding bonds shall be published one time in the official journal of the issuer or, if the issuer does not have an official journal, one time in a newspaper of general circulation within the jurisdiction of the issuer; however, it shall not be necessary to publish any exhibits to such resolution or ordinance if the same are available for public inspection and such fact is stated in the publication.

B. For thirty days after the date of publication, any person in interest may contest the legality of the resolution or ordinance, any provision of the refunding bonds to be issued pursuant to it, the provisions therein made for the security and payment of the refunding bonds and the validity of all other provisions and proceedings relating to the authorization and issuance of such bonds.

C. After the said thirty days, no person may contest the regularity, formality, legality or effectiveness of the resolution or ordinance, any provisions of the refunding bonds to be issued pursuant to it, the provisions for the security and payment of the refunding bonds and the validity of all other provisions and proceedings relating to their authorization and issuance, for any cause whatever. Thereafter, it shall be conclusively presumed that the refunding bonds are legal and that every legal requirement for the issuance of the refunding bonds has been complied with. No court shall have authority to inquire into any of these matters after the said thirty days.

Acts 1984, No. 352, §1, eff. July 2, 1984.

§1452. Status of refunding bonds as negotiable instruments; exemption from taxes; legal investments

All refunding bonds issued pursuant to this Chapter shall be and are hereby made negotiable instruments within the meaning of and for all purposes of the negotiable instruments law of Louisiana, subject only to the provisions of the refunding bonds for registration. All refunding bonds and the income therefrom shall be exempt from all taxation by this state or any political subdivision thereof. The refunding bonds shall be legal and authorized investments for banks, savings banks, insurance companies, homestead and building loan associations, trustees and other fiduciaries and may be used for deposit with any officer, board, municipality or other political subdivision of the state of Louisiana, in any case where, by present or future laws, deposit or security is required.

Acts 1984, No. 352, §1, eff. July 2, 1984.

§1453. Use of proceeds of refunding bonds

The proceeds of the sale of any refunding bonds shall be deposited, applied, and disbursed in accordance with the provisions of the resolution or ordinance authorizing the issuance of the refunding bonds.

Acts 1984, No. 352, §1, eff. July 2, 1984.

§1454. Refunded bonds not considered outstanding

The refunded bonds shall not be considered outstanding for the purpose of debt limitation laws restricting the amount of bonds that may be issued by any issuer.

Acts 1984, No. 352, §1, eff. July 2, 1984.

§1455. Application of provisions

The powers and rights conferred by this Chapter shall be in addition to the power and rights conferred by any other general or special law. This Chapter does and shall be construed to provide a complete and additional method for the issuance of refunding bonds. No proceeding, notice, or approval shall be required for the issuance of any refunding bonds or any instrument as security therefor, except as provided herein. The provisions of this Chapter shall be liberally construed for the accomplishment of its purposes.

Acts 1984, No. 352, §1, eff. July 2, 1984.

§1456. General obligation bond debt limitations; advance refunding

The debt limitation for general obligation bonds issued by any political subdivision in order to advance refund its outstanding debt obligations is hereby established at an amount not greater than one hundred ten percent of the debt limitation otherwise established by law, provided that the term of the debt refunded shall not be extended and the principal and interest payments on the refunding bonds is less in each calendar year than the principal and interest in such calendar year on the outstanding debt being refunded.

Acts 1991, No. 178, §1, eff. July 2, 1991.

CHAPTER 14-B. BOND ANTICIPATION NOTES
OF PUBLIC ENTITIES

§1460.1. Definitions

As used in this Chapter, the following terms shall have the following meanings:

(1) "Public Entity" means:

(a) Parishes, municipalities, parish and municipal school boards and districts, drainage and land reclamation districts, and all special service districts including but not limited to road, water, sewerage, fire protection, recreation, hospital service, gas utility, and garbage districts;

(b) All other political subdivisions, special authorities, commissions, and boards heretofore or hereafter created by or pursuant to the constitution or statutes of the state, any laws incorporated into or ratified or confirmed by the constitution, or general or special charters of any parish or municipality; and

(c) All other units of local government created by or governed by the governing authorities of parishes or municipalities.

(2) "Securities" means bonds, notes, certificates, or other written obligations for the repayment of borrowed money.

Acts 1986, No. 907, §1, eff. July 10, 1986.

§1460.2. Authorization of bond anticipation notes

A. Subject to the approval of the State Bond Commission, without reference to any other provisions of the laws of Louisiana and in addition to any other authority therefor, any public entity which is now or hereafter authorized by the constitution or the statutes of the state of Louisiana to incur debt and issue securities may authorize the issuance of bond anticipation notes in one or more series in anticipation of the issuance of securities which have been duly and lawfully authorized. The proceeds of the sale of such notes, exclusive of accrued interest, shall be used for the purpose of paying capitalized interest on such notes, for paying the costs of issuance, for providing a reserve for the payment of such notes, for renewing the principal amount of previously issued bond anticipation notes, or for the purpose for which the anticipated securities were authorized.

B. Bond anticipation notes shall be payable in principal from the proceeds of the sale of the duly authorized securities, from the sale of additional bond anticipation notes, from revenue sources from which the anticipated securities are payable when issued, or from other lawfully available funds. Interest on bond anticipation notes may be capitalized and paid from the proceeds of the issue, paid from the revenue source from which the anticipated securities are payable when issued, or paid from other lawfully available funds.

C. The bond anticipation notes shall be issued pursuant to a resolution or an ordinance adopted by the governing authority of the public entity.

D. The public entity shall in the resolution or ordinance authorizing the issuance of the bond anticipation notes fix all details of the bond anticipation notes, including the term, date, price, interest rates, maturities, denominations, and other specified terms of the bond anticipation notes in accordance with the provision of Subtitle III, Chapter 13 of Title 39 of the Louisiana Revised Statutes of 1950. The total amount of bond anticipation notes issued and outstanding at any one time shall not exceed the principal amount of authorized securities in anticipation in which the bond anticipation notes were issued.

E. The bond anticipation notes issued under this Chapter may be additionally secured by credit enhancement devices the cost of which, upon a finding of benefit therefrom by the governing authority of the public entity, may be paid from the proceeds of the bond anticipation notes or other lawfully available funds.

F. Bond anticipation notes may be sold at either public or negotiated sale for such price as may be determined by the governing authority of the public entity and approved by the State Bond Commission.

G. All bond anticipation notes issued pursuant to this Chapter shall be and are hereby made negotiable instruments within the meaning of and for all purposes of the negotiable instruments law of Louisiana, subject only to provisions for registration. All bond anticipation notes and the interest and income therefrom shall be exempt from all taxation by this state or any political subdivision thereof. The bond anticipation notes shall be legal and authorized investments for banks, savings banks, insurance companies, homestead and building and loan associations, trustees, and other fiduciaries and may be used for deposit with any officer, board, municipality, or other political subdivision of the state of Louisiana in any case where, by present or future laws, deposit or security is required.

H. Any resolution or ordinance authorizing the issuance of bond anticipation notes shall be published one time in the official journal of the public entity or, if the public entity does not have an official journal, one time in a newspaper of general circulation within the jurisdiction of

the public entity; however, it shall not be necessary to publish any exhibits to such resolution or ordinance if the same are available for public inspection and such fact is stated in the publication. For thirty days after the date of the publication, any person in interest may contest the legality of the resolution or ordinance, any provision of the bond anticipation notes to be issued pursuant to it, the provisions therein made for the security and payment of the bond anticipation notes, and the validity of all other provisions and proceedings relating to the authorization and issuance of such bond anticipation notes. After the thirty days, no person may contest the regularity, formality, legality, or effectiveness of the resolution or ordinance, any provisions of the bond anticipation notes to be issued pursuant to it, the provisions for the security and payment of the bond anticipation notes, and the validity of all other provisions and proceedings relating to their authorization and issuance, for any cause whatever. Thereafter, it shall be conclusively presumed that the bond anticipation notes are legal and that every legal requirement for the issuance of the bond anticipation notes has been complied with. No court shall have authority to inquire into any of these matters after the thirty days.

I. The powers and rights conferred by this Chapter shall be in addition to the power and rights conferred by any other general or special law. This Chapter does and shall be construed to provide a complete and additional method for the issuance of bond anticipation notes. No proceeding, notice, or approval shall be required for the issuance of any bond anticipation notes or any instrument as security therefor, except as provided herein. The provisions of this Chapter shall be liberally construed for the accomplishment of its purposes.

Acts 1986, No. 907, §1, eff. July 10, 1986.

CHAPTER 15. ADVANCE REFUNDING OF BONDS

§1461. Definitions

As used in this Chapter, the following terms shall have the following meanings:

(1) "Outstanding bonds" means all or any one or more of the following bonds issued directly by the state or by any state board, agency, or commission which may be outstanding at any time:

(a) General obligation bonds which are secured by the full faith and credit of the state, which may or may not be payable from the Bond Security and Redemption Fund, including those bonds which are payable primarily from specified portions of specific taxes or other dedicated revenues.

(b) Bonds which are not secured by the full faith and credit of the state, but which are payable from dedicated portions of specific state taxes and may or may not be additionally payable from the Bond Security and Redemption Fund.

(2) "Refund" means the act of refunding, including readjusting, extending, and unifying outstanding bonds or issues of bonds.

(3) "Refunded bonds" means the bonds being refunded by the issuance of refunding bonds.

(4) "Government obligations" means direct obligations of or obligations the payment of the principal and interest of which is unconditionally guaranteed by the United States of America.

Added by Acts 1978, No. 382, §1, eff. July 12, 1978.

§1462. Refunding bonds authorized

The State Bond Commission is hereby authorized to issue refunding bonds, hereinafter referred to as "refunding bonds", for the purpose of providing funds to refund outstanding bonds of the state including, but not by way of limitation, amounts required for principal, interest to the maturity or redemption date, and call premium. If the refunding bonds carry an effective interest rate lower than that borne by the bonds being refunded and result in a net savings to the state after payment of all associated costs, there shall be no limit as to the amount of bonds that may be refunded by the issuance of refunding bonds pursuant to the authority of this Section.

Added by Acts 1978, No. 382, §1, eff. July 12, 1978; Acts 1986, No. 1048, §1, eff. Aug. 30, 1986; Acts 1986, 1st Ex. Sess., No. 1, §1, eff. Dec. 16, 1986.

§1463. Status of refunding bonds

The refunding bonds shall be general obligations of the state of Louisiana, to the payment of which, as to principal, premium, if any, and interest when the same become due and payable, the full faith and credit of the state is hereby irrevocably pledged. The refunding bonds shall be secured by monies pledged, dedicated to, and paid into the Bond Security and Redemption Fund and shall be payable on a parity with all bonds or other obligations heretofore and hereafter issued which are secured by the fund and may be additionally secured by government obligations.

Added by Acts 1978, No. 382, §1, eff. July 12, 1978.

§1464. Issuance of refunding bonds

The refunding bonds shall be issued from time to time by the State Bond Commission in its discretion and shall not be limited by the provisions of R.S. 39:1402(D) and (E) or be subject to the provisions of R.S. 39:1365 and R.S. 39:1366. The refunding bonds shall be authorized and issued by a resolution or resolutions of the State Bond Commission and shall be of such series, bear such date or dates, mature at such time or times not exceeding forty years from their respective dates, bear interest at such rate or rates subject to the provisions of Section 1465 of this Title, be in such denominations, be in such form, carry such registration and exchangeability provisions, be payable in such medium of payment and at such place or places, and be subject to such terms of redemption as such resolution or resolutions may provide. The resolution issuing the refunding bonds may provide for the establishment and maintenance of a sinking fund or a special escrow account or accounts for the payment of the principal of, and interest and premium, if any, on any maturities of the refunding bonds, the refunded bonds, or outstanding bonds not to be refunded by such refunding bonds or the payment of any other obligations of the state, contractual or otherwise, and any moneys deposited in such funds or accounts may be invested in government obligations and the maturing principal, interest, or redemption price of such government obligations may be used in the manner provided in such resolution including the securing and payment of all or any portion of the refunding bonds. The bonds shall be signed by either the state treasurer, the assistant treasurer, or the secretary of the State Bond Commission, and the great seal of the state of Louisiana shall be affixed, imprinted, or reproduced on the bonds, attested by the facsimile signature of the secretary of state. Any coupons attached to the bonds shall bear the facsimile signature of either the state treasurer, the assistant state treasurer, or the secretary of the State Bond Commission. The refunding bonds are declared to have the qualities of and are hereby made negotiable instruments under the laws of Louisiana and such bonds and the interest therefrom shall be exempt from income and all other taxation of the state of Louisiana.

Added by Acts 1978, No. 392, §1, eff. July 12, 1978.

§1465. Sale of refunding bonds; interest rate

The refunding bonds shall be sold in such manner, at either public or nonpublic sale, as may be determined by the State Bond Commission, for such price and bearing interest at such rate or rates as will create for the refunding bonds an effective interest rate which is lower than that of the refunded bonds. No refunding bonds authorized hereunder shall be delivered unless the state treasurer has certified that the effective interest rate on the refunding bonds is a lower effective interest rate than the effective interest rate on the refunded bonds. This certification shall be conclusive. In computing the effective interest rate for the purposes of this Act, there shall be taken into consideration all costs and expenses of issuance of the refunding bonds, including fees for bond counsel and other consultants and, to the extent paid from sources other than the proceeds of such refunding bonds, redemption premiums, if any, on the refunded bonds.

Added by Acts 1978, No. 382, §1, eff. July 12, 1978.

§1466. Use of proceeds of refunding bonds

The proceeds of the sale of any refunding bonds shall be deposited, applied, and disbursed in accordance with the provisions of the resolution authorizing the issuance of the refunding bonds. Any earnings on the investment of the refunding bond proceeds may be used for the purpose of paying the principal, interest, and premium, if any, on the refunded bonds, and any balance after the complete retirement of the refunded bonds, as to principal, interest, and premium, if any, shall be placed in the Bond Security and Redemption Fund. The state treasurer may execute such documents and instruments as may be necessary to comply with the provisions of the resolution authorizing the issuance of the refunding bonds or to comply with applicable laws and regulations.

Added by Acts 1978, No. 382, §1, eff. July 12, 1978.

§1467. Investment in government obligations

Notwithstanding any other provisions of law to the contrary, the state treasurer may invest the proceeds of refunding bonds issued hereunder, moneys from any other source deposited in any funds or accounts established in connection with the issuance of the refunding bonds, or moneys from any source deposited in any funds or accounts established as part of a refinancing, reorganization or refunding of state debt, in government obligations; however, such government obligations shall mature as to principal and interest in such amounts and at such times as will provide, when needed, cash funds for the object or purpose for which the invested funds are to be used.

Added by Acts 1978, No. 382, §1, eff. July 12, 1978.

§1468. Refunded bonds not considered outstanding

For the purpose of debt limitation laws restricting the amount of general obligation bonds that may be issued by the state, no bond shall be deemed to be outstanding when payment of the principal of the applicable redemption premium, if any, on such bond, plus interest thereon to the due date thereof, whether such due date is by reason of maturity or upon redemption or prepayment or otherwise, shall have been made or caused to be made in accordance with the terms thereof, or shall have been provided by irrevocably depositing with a trustee or one of the paying agents for such bonds, in trust, moneys sufficient to make such payment or government obligations maturing as to principal and interest in such amount and at such time as will insure the availability of sufficient moneys to make such payment.

Added by Acts 1978, No. 382, §1, eff. July 12, 1978.

CHAPTER 15-A. SHORT-TERM REVENUE
NOTES OF PUBLIC ENTITIES

§1470. Definitions

As used in this Chapter, the following terms shall have the following meanings:

(1) "Public entities" or "public entity" means any one of the following, acting alone or in conjunction with any other:

(a) State boards, commissions, or agencies; parishes; municipalities; parish and municipal school boards and districts; levee boards and districts; port boards and commissions; port, harbor and terminal, and industrial districts; drainage and land reclamation districts; all special service districts, including but not limited to road, water, sewerage, fire protection, recreation, hospital service, gas utility, and garbage districts; public trusts; and industrial development boards;

(b) All other political subdivisions, special authorities, commissions, and boards heretofore or hereafter created by or pursuant to the constitution or statutes of the state, any laws incorporated into or ratified or confirmed by the constitution, or general or special charters of any parish or municipality; and

(c) Any other unit of local government created or governed by the governing authority of any parish or municipality.

(2) "Revenue bonds" means securities payable from and secured solely by a pledge of the income and revenues derived or to be derived from fees, rates, rentals, tolls, charges, grants, or other receipts, income, or revenues derived from any properties or facilities belonging to or leased by a public entity or from obligations owed to such entity or from obligations arising in connection with an undertaking, facility, project, or any combination thereof.

(3) "Securities" means bonds, notes, certificates, or other written obligations for the repayment of borrowed money.

Acts 1984, No. 102, §1, eff. June 15, 1984.

§1471. Authorization of short-term revenue notes

A. Any public entity which is now or hereafter authorized by the constitution or statutes of the state of Louisiana to issue revenue bonds may authorize the issuance of the revenue bonds in the form of short-term revenue notes from time to time in one or more series as part of a commercial paper financing program adopted by the public entity.

B. Short-term revenue notes may be issued for any of the authorized purposes specified in the constitutional or statutory authority and shall be payable from the revenue sources prescribed in the constitutional or statutory authority or, in the alternative, may be payable from the proceeds of short-term revenue notes approved pursuant to said financing program.

C. The short-term revenue notes authorized pursuant to the financing program of the public entity shall be issued by the public entity in the manner and in accordance with the terms and provisions of the constitutional or statutory authority, which authorizes the issuance of revenue bonds of the public entity, with the following exceptions.

(1)(a) In the event that the public entity is required to publish a notice of sale of revenue bonds pursuant to said constitutional or statutory authority, a single notice of sale may be published with the same force and effect set forth in the constitutional or statutory authority in lieu of a separate notice of sale for each series of short-term revenue notes.

(b) The notice of sale shall be subject to the approval of the State Bond Commission, shall describe the financing program, and shall specify:

(i) The purpose or purposes for which the proposed short-term revenue notes are to be issued,

(ii) The maximum principal amount of the short-term revenue notes which may be outstanding at any one time, and

(iii) The maximum interest rate of the short-term revenue notes.

(2) In the event that any approval by any state or local board, agency, public official, or commission is required to be obtained as a prerequisite to the issuance or sale of revenue bonds pursuant to the constitutional or statutory authority, a single approval may be obtained from the board, agency, public official, or commission with respect to the financing program, and the public entity shall not be required to obtain a separate approval with respect to each series of short-term revenue notes issued pursuant to the program.

(3) The public entity may, in the resolution authorizing the issuance of the short-term revenue notes, fix the dates, price, interest rates, maturities, and other specified terms of the short-term revenue notes or, in the event of anticipated rollovers or renewals of the short-term revenue notes, the public entity may, in the alternative, authorize one or more of its officers or members to fix the terms and to effect the sale and delivery of the short-term revenue notes upon such terms and conditions as may be prescribed by resolution of the public entity.

(4) In the event that any state agency or commission is required pursuant to the constitutional or statutory authority to sell revenue bonds on behalf of the public entity, the state agency or commission may delegate to one or more of its officers, members, or employees, authority to sell the short-term revenue notes upon such terms and conditions as may be specified by resolution of the state agency or commission.

Acts 1984, No. 102, §1, eff. June 15, 1984.

§1472. Application of provisions

The powers and rights conferred by this Chapter shall be in addition to the power and rights conferred by any other general or special law. The provisions of this Chapter shall be liberally construed for the accomplishment of its purpose.

Acts 1984, No. 102, §1, eff. June 15, 1984.