Table of Contents

Title 71
TREASURY—PUBLIC FUNDS

Part I. Public Funds Investments

Chapter 1. Education Quality Trust Fund Investment Procedures 1
§101. Investment Procedures 1
§103. Goals for Investment of LEQTF Assets 1
§105. Investment Responsibility for the Assets 1
§107. Investment of the Assets in Equity Securities 1
§109. Investments of the Assets in Bonds 2
§111. Investment of Cash and Cash Equivalents 2
§113. Measurement of Performance of Investments; Evaluation of the LEQTF 3
§115. Selection of Outside Investment Managers 3
§117. Investment Consultants 4
Chapter 3. State Tax Revenue Limit 4
§301. Determination of the State Tax Revenue Limit 4
§303. Declaration of Maximum State Tax Revenue 4
§305. Administration of Tax Surplus Fund 4
Chapter 5. Permissible Investments 5
§501. U.S. Government Agency Obligations 5
§503. Time Certificates of Deposit 5

Part III. Bond Commission—Debt Management

Chapter 1. The Commission 9
§101. Purpose 9
§103. Original Rules (1975) 9
§105. Organization 12
§107. Organizational Chart 13
§109. Police Juries—Taxes 13
§111. Police Juries—Loans 14
§113. Police Juries—Bonds 15
§115. Municipalities—Taxes 16
§117. Municipalities—Loans 17
§119. Municipalities—Bonds 18
§121. School Boards—Taxes 19
§123. School Boards—Loans 20
§125. School Boards—Bonds 21
§127. Industrial Development 21
§129. Other Local Governmental Units 25
§131. General Information 26
§133. Footnotes 26
Chapter 3. Non-Traditional Tax-Exempt Projects 26
§301. General 26
§303. Public Notice Requirements 28

Chapter 5. Housing 28
§501. Second Issues of Mortgage Revenue Bonds 28
§503. Vacancy Guidelines 29
§505. Rule Number HS1-1993—Definitions of Income Class 29
§507. Rule Number HS2-1993—Bond Commission Multifamily Housing Applicants 29
Chapter 7. Costs of Issuance and Reporting Requirements 30
§701. Procedure 30
Chapter 9. Expedited Review of Certain Leases 31
§901. Leases 31
§903. Criteria 31
§905. Documentation 31
§907. Procedure 31
Chapter 11. Expedited Review of Financings of Movables 32
§1101. Purpose 32
§1103. Criteria 32
§1105. Documentation 32
§1107. Procedures 32
Chapter 13. Disclosure 33
§1301. Disclosure of Agreements between Financial Professionals for Negotiated Transactions 33
Chapter 15. Debt Limit 34
§1501. State Debt Limit 34
Chapter 17. Reimbursement Contracts 35
§1701. Prepayment of Reimbursement Contracts 35
Chapter 19. Fee Schedule 37
§1901. Fee Schedule 37
Chapter 21. Electronic Bidding 37
§2101. General Provisions 37
Chapter 23. Surety Bond Deposit 38
§2301. General Provisions 38

Part V. Interim Emergency Board

Chapter 1. Operating Rules and Procedures 39
§101. Rules and Procedures 39

Part VII. Administration

Chapter 1. Credit Card Acceptance by State Agencies 41
§101. Purpose 41
§103. Definitions 41
§105. Application for Credit Card or Similar Devices 41
§107. Acceptance of Cards by the State Entities 41
§109. Operating Procedures 41
§111. State Charge 42
§113. Fees 42

Title 71
TREASURY—PUBLIC FUNDS
Part I. Public Funds Investments

Chapter 1. Education Quality Trust Fund Investment Procedures

§101. Investment Procedures

A. In accordance with the provisions of R.S. 17:3801(A)(1), there has been established within the state treasury as a special permanent trust fund the Louisiana Education Quality Trust Fund (the "LEQTF"), for the benefit of the Board of Elementary and Secondary Education and the Board of Regents (the "beneficiaries").

AUTHORITY NOTE: Promulgated in accordance with R.S. 17:3801(A)(1).
HISTORICAL NOTE: Promulgated by the Department of the Treasury, Office of the Treasurer, LR 21:474 (May 1995).

§103. Goals for Investment of LEQTF Assets

A. In the management of the assets of the LEQTF (the "assets"), the state treasurer has established the following goals (the "goals"):

1. preservation of the assets;

2. provision of income in a stable and predictable manner to the beneficiaries; and

3. enhancement of the market value of the assets.

AUTHORITY NOTE: Promulgated in accordance with R.S. 17:3801(A)(1).
HISTORICAL NOTE: Promulgated by the Department of the Treasury, Office of the Treasurer, LR 21:474 (May 1995).

§105. Investment Responsibility for the Assets

A. The state treasurer, through the Investment Division of the State Treasury, shall invest the assets in accordance with applicable law and regulation.

B. State Treasurer's LEQTF Investment Advisory Panel

1. The state treasurer shall establish the state treasurer's LEQTF Investment Advisory Panel (the "advisory panel") to:

a. advise the state treasurer generally regarding the investment of the assets, including assisting in the development of investment policy for the assets; and

b. to perform such other duties related to advising the state treasurer regarding the investment of the assets as the state treasurer may from time to time request or deem necessary or advisable.

2. Membership; Composition; Terms. The advisory panel shall have at least seven but no more than 15 members, and be composed of, among others who may be chosen by the state treasurer, at least one representative of each of the beneficiaries, as well as at least one representative each from the academic and business communities, and at least one investment professional. Members of the advisory panel shall serve on a voluntary basis at the pleasure of the state treasurer. The state treasurer shall serve as the chair of the advisory panel.

3. The advisory panel will meet annually in October to review investment policy and performance, make recommendations, and to take up all business as appropriate, and shall meet at any other time when and if called to order by the state treasurer. All meetings of the advisory panel shall be conducted in accordance with the law applicable to public meetings of an official body, as that law may be in effect from time to time.

C. Selection of Outside Investment Manager for the Assets. The state treasurer may select, through a request for proposal process using strict selection criteria based on sound industry principles, one or more outside investment managers to invest some or all of that portion of the assets that are eligible to be invested in equity securities. If the state treasurer chooses any outside investment manager as a result of such a process, the choice, and any contract with such manager, shall be ratified and approved by a majority of the members present at a regular meeting of the Bond Commission.

D. Investment Consultant. From time to time, or on a continuing basis, the state treasurer may retain the services of an investment consultant for the LEQTF for the purposes of investment assistance, including, but not limited to, assistance in the following:

a. establishing the appropriate allocation of the assets;

b. determining appropriate investment manager styles;

c. conducting investment manager searches;

d. evaluating performance of investment manager(s).

AUTHORITY NOTE: Promulgated in accordance with R.S. 17:3801(A)(1).
HISTORICAL NOTE: Promulgated by the Department of the Treasury, Office of the Treasurer, LR 21:474 (May 1995).

§107. Investment of the Assets in Equity Securities

A. The state treasurer, by Section 2(a)(5) of Act 67 of the 1986 Regular Session of the Legislature ("Act 67"), as amended by Act 136 of the 1994 Third Extraordinary Session, is authorized to invest as much as 35 percent of the market value of the assets in certain stocks ("equity securities"), and to promulgate rules governing such investment. The following rules shall apply to the investment of the assets in equity securities.

1. The prudent investor standard or rule shall govern all investments of the assets. The prudent investor standard shall be the standard of care against which actual investment decisions with regard to the assets made by any person or entity investing all or any portion of the assets are judged.

2.a. The state treasurer shall allocate assets to be invested in equity securities in an amount calculated on the last day of each fiscal year when added to any assets already invested in equity securities that fall within the range of the market value of the assets for the applicable fiscal year as set out in the following table.

FY '95 - '96	5 percent to 7 percent
FY '96 - '97	10 percent to 14 percent
FY '97 - '98	15 percent to 21 percent
FY '98 - '99	20 percent to 28 percent
FY '99 - '00 and after	25 percent to 35 percent

b. For the purposes of determining the dollar amount of assets which must be invested in equity securities, the market value of the assets shall be the market value on the last day of the fiscal year immediately prior to the fiscal year in which the assets are to be allocated to be invested in equity securities.

3. The assets invested in equity securities shall not exceed an amount equal to 5 percent of the ownership of any entity or company.

4. No individual investment manager managing a portfolio of equity securities which form a part of the assets shall be permitted to concentrate more than 25 percent of the market value of that portfolio in any single industry.

5. All investment managers managing any portfolio which is part of the assets are prohibited from using the assets to engage in any of the following activities:

a. the purchase of stock warrants;

b. the purchase of any stock on margin;

c. the short sale of any security;

d. the purchase of any direct interest in oil, gas, or other mineral exploration program;

e. private or direct placement of any kind;

f. direct ownership of real estate or real estate investment trusts;

g. direct or indirect ownership of collectibles (including coins, stamps, or art);

h. direct investment in the equity securities of the LEQTF custodian bank(s), investment advisor(s), or the parent company of any of them;

i. other investments which may be restricted or which may not be authorized by applicable law or rule from time to time.

AUTHORITY NOTE: Promulgated in accordance with R.S. 17:3801(A)(5).

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Office of the Treasurer, LR 21:475 (May 1995).

§109. Investments of the Assets in Bonds

A. The state treasurer, by Section 2(a)(4) of Act 67, is authorized to invest the assets in marketable fixed income securities ("bonds"). The following rules shall apply to the investment of the assets in bonds.

1. Assets shall be invested in bonds which have been selected after consideration of the total return on such investment, including interest income and capital appreciation/loss.

2. Investment of the assets in bonds should be done so that the contents of each portfolio under management is diversified by maturity, security, sector, and credit quality.

3. Each portfolio of bonds forming a part of the assets may be actively managed.

4. The total portfolio of bonds which form a portion of the assets shall not contain a concentration of more than 10 percent of any issuer's securities (valued at cost of bonds compared to market value of total portfolio), except securities which are direct obligations of the U.S. Treasury or any U.S. agency.

5. All investment managers managing any portfolio of bonds which forms a part of the assets are restricted from using the assets to engage in any of the following activities:

a. the purchase of bonds on margin;

b. the short sale of any bond;

c. private or direct placement of any kind;

d. the purchase of debt securities of the custodian bank(s), investment manager(s), or their parent or any subsidiaries, or with any entity which is a part to a contractual relationship with the state treasurer or the LEQTF;

e. direct loans or extension of lines of credit;

f. the purchase of foreign bonds;

g. direct purchases of single family or commercial mortgages;

h. the purchase of collateralized mortgage obligation derivatives;

i. other investments which may be restricted or which may not be authorized by applicable law or rule from time to time.

AUTHORITY NOTE: Promulgated in accordance with R.S. 17:3803(B)(1)(c)(b)(d).

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Office of the Treasurer, LR 21:475 (May 1995).

§111. Investment of Cash and Cash Equivalents

A. Any portion of the assets which is cash or the equivalent of cash ("LEQTF Cash") may be invested in a short-term investment fund (STIF) maintained for the LEQTF. All securities held in such STIF must be of the type permitted by applicable law as eligible for investment by the state treasurer. LEQTF cash may also be invested in commercial paper rated in the two highest credit quality classes of Moody's, Inc. (P1 or P2) or of Standard and Poor's (A1 or A2).

AUTHORITY NOTE: Promulgated in accordance with R.S. 17:3803(B)(1)(f).

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Office of the Treasurer, LR 21:475 (May 1995).

§113. Measurement of Performance of Investments; Evaluation of the LEQTF

A. The investment performance of the assets shall be measured quarterly on the calendar quarter by a professional and independent organization which is in the business of performing such measurements and which is not affiliated with any firm or entity which advises the state treasurer on the investment of the assets or which has any responsibility for managing any portion of the assets. All measurement shall be in compliance with the Association for Investment Management and Research performance presentation standards.

B. Annual Evaluation of Performance of the LEQTF. The state treasurer shall cause an evaluation of the LEQTF at least annually. This evaluation shall cover all aspects of the investment of the assets, including an evaluation of the investment results of the total fund, results of each class of asset, results of any and each investment manager, as well as of adherence to applicable law, rules, and guidelines. This evaluation shall be made in accordance with sound review criteria and any benchmarks established by the state treasurer for evaluating investment performance. Specific investment performance benchmarks for the LEQTF shall include, but not be limited to, the following (in addition to any other provision required by law or rule).

1. Common Stocks. An annualized total return equal to or greater than the Standard and Poor's 500 Index net of investment management fees, custodial fees, and transaction costs.

2. Bonds. An annualized total return equal to or greater than the Lehman Brothers Government Bond Index net of investment management fees, custodial fees, and transaction costs.

AUTHORITY NOTE: Promulgated in accordance with R.S. 17:3801(A)(1).

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Office of the Treasurer, LR 21:475 (May 1995).

§115. Selection of Outside Investment Managers

A. Minimum Requirements for Outside Investment Managers. Each investment manager chosen to manage any assets must be a registered investment advisor and in good standing with the Securities and Exchange Commission under the Investment Advisors Act of 1940, or, if a bank, in good standing with the appropriate federal and/or state regulatory officials.

B. Required Information. As a part of the information obtained from investment manager(s) proposing to become managers of any assets, such manager must provide five consecutive years of verifiable performance rates of return calculated on a time-weighted basis. These performance numbers must be based on a composite of fully discretionary accounts with a similar investment style and be reported net and gross of investment management fees.

C. Compensation Basis. Investment managers shall be compensated on a basis point fee as a percentage of assets contracted to manage.

D. Contract Provisions. Each contract which the state treasurer enters with an outside investment manager for managing the investment of the assets must contain, at a minimum, the following (in addition to any other provisions otherwise required by applicable law or rule in such contracts).

1. The investment manager shall manage the LEQTF assets under its care, custody, or control in accordance with applicable federal and Louisiana law, regulations, and rules, as well as with the goals and any investment policies or procedures which the state treasurer may have established from time to time.

2. Investment managers shall be evaluated by comparison to managers of like investment style or strategy.

3. The contract shall contain an acknowledgment by the investment manager of its fiduciary responsibility to the beneficiaries.

4. Investment managers shall notify the state treasurer immediately of any material matters or changes pertaining to the investment of the LEQTF, as well as any material changes of staff and/or ownership of the firm.

5. Investment managers shall make a presentation on the status and performance of the assets managed to the state treasurer and, if asked, to the advisory panel at least annually, and may be required to appear more frequently if deemed appropriate by the state treasurer. As a part of this presentation, the investment manager must provide written reports on, and be prepared to discuss, the following:

a. portfolio goals and objectives;

b. financial markets and economic outlook;

c. portfolio performance;

d. transactions, including brokerage;

e. accounting for dispersions between results of the assets managed and those assets of the LEQTF or of other entities managed by investment managers of similar or like style and strategy.

6. Investment managers shall submit quarterly a written report to the state treasurer detailing investment performance, financial markets and economic outlook, and accounting of dispersions from the benchmarks established by the state treasurer.

7. Investment managers shall be paid in arrears on a quarterly basis.

AUTHORITY NOTE: Promulgated in accordance with R.S. 17:3803(B)(1)(e).

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Office of the Treasurer, LR 21:476 (May 1995).

§117. Investment Consultants

A. Method of Selection. Should the state treasurer retain the services of an investment consultant, the treasurer shall choose a firm or individual to serve as an investment consultant for the LEQTF in accordance with all applicable Louisiana laws and rules regarding the process of choosing and contracting with professionals and consultants.

B. Minimum Criteria. Any investment consultant chosen must have at least five years of experience consulting accounts with assets greater than $250 million as well as experience conducting investment manager searches and performance measurement for public funds with total assets greater than $250 million.

C. Payment of Fees. Investment consultants shall be paid in arrears on a quarterly basis. All consulting fees shall be paid from the assets of the Support Fund.

D. Disclosure of Affiliations. Any consultant who is a broker/dealer or affiliated with a broker/dealer or investment manager must disclose the nature of the relationship. The investment consultant shall not receive compensation of any kind from any investment manager contracted by the state treasurer for management of the LEQTF.

AUTHORITY NOTE: Promulgated in accordance with R.S. 17:3802(C)(4).

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Office of the Treasurer, LR 21:476 (May 1995).

Chapter 3. State Tax Revenue Limit

§301. Determination of the State Tax Revenue Limit

A. Basis of Calculation of State Tax Revenue Limit. Pursuant to 47:5002, the state tax revenue limit is the percentage formed by dividing state tax revenue for the 1978-79 fiscal year by state personal income for 1977. The State Tax Revenue Limit shall be rounded to the nearest tenth of 1 percent.

1. The state tax revenue for the 1978-79 fiscal year is $1,755,114,254.11.

2. The state personal income for 1977 is $23,187,000,000.

B. Value for State Tax Revenue Limit. The State Tax Revenue Limit is hereby established as 7.6 percent.

C. Definition of Self-Generated Funds to Permit Determination of State Tax Revenue for a Fiscal Year

1. *Self-Generated Funds*—for purposes of calculation of state tax revenue:

a. those monies the state receives which are classified by the department receiving the funds in "means of financing" group codes 05, 06, and 11 and in the following object codes:

i. 1435 Interest on Investments;

ii. 1440 Interest Income 8(g) Settlement;

iii. 1445 Gain from Sales of Securities;

iv. 1450 Loss from Sales of Securities;

v. 1455 Dividends on Investments;

vi. 1460 Other—Investment Income;

vii. 1730 Tuition—Vo-Techs;

viii. 1735 Ineligible Patient Fees;

ix. 1775 Sales to Non-State Agencies—Merch and Comm;

x. 1780 Sales to Non-State Agencies—AEF;

xi. 1785 Sales to Non-State Agencies—Services;

xii. 1790 Sales to Non-State Agencies—Timber;

xiii. 1795 Miscellaneous Receipts—Conversion of Property;

b. this listing shall be modified, as appropriate, to reflect changes made to self-generated object codes in the State's Chart of Accounts which is maintained by the Office of Statewide Reporting and Accounting Policy within the Division of Administration;

c. at the end of each fiscal year, no later than August 30, the state treasurer shall submit to the House Appropriations Committee and the Senate Finance Committee (State Treasury oversight committees) a listing of self-generated object codes that are to be utilized in the determination of state tax revenue for the fiscal year previously ended.

2. *State Tax Revenue*—as defined by R.S. 47:5003, excludes federal funds, royalties, interagency transfers, proceeds from the First Use Tax, severance taxes, and self-generated funds.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:5010.

HISTORICAL NOTE: Promulgated by the Department of Treasury, Office of the Treasurer, LR 24:1518 (August 1998).

§303. Declaration of Maximum State Tax Revenue

A. Within six months after the close of the previous fiscal year, the state treasurer shall declare maximum state tax revenue for the year then ended, by a letter addressed to the commissioner of administration, the president of the Senate and the speaker of the House of Representatives of the Louisiana State Legislature.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:5010.

HISTORICAL NOTE: Promulgated by the Department of Treasury, Office of the Treasurer, LR 24:1519 (August 1998).

§305. Administration of Tax Surplus Fund

A. Monies classified to the Tax Surplus Fund shall be invested in the same manner as monies classified to the state general fund. Disbursements from the Tax Surplus Fund shall only be made pursuant to an appropriation by the legislature for this purpose.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:5010.

HISTORICAL NOTE: Promulgated by the Department of Treasury, Office of the Treasurer, LR 24:1519 (August 1998).

Chapter 5. Permissible Investments

§501. U.S. Government Agency Obligations

A. Pursuant to R.S. 49:327(B)(1)(b), obligations of or obligations guaranteed by, any of the following agencies, instrumentalities, or government-sponsored entities of the United States Government, or their successor agencies, universally referred to in the investment community as "agency securities," shall be eligible for investment by the treasurer:

1. Government National Mortgage Association;

2. Maritime Administration;

3. Small Business Administration;

4. Federal Home Loan Bank consolidated discount notes, notes, debentures and bonds;

5. Federal Home Loan Mortgage Corporation discount notes, notes, debentures, bonds, participation certificates, guaranteed mortgage-backed securities, collateralized mortgage obligations and adjustable rate mortgages;

6. Federal National Mortgage Association discount notes, short-term notes, master notes, floating rate notes, notes, debentures, subordinated debentures, bonds, guaranteed mortgage backed securities, and adjustable rate mortgages;

7. Farm Credit System consolidated system-wide discount notes, notes and bonds;

8. Student Loan Marketing Association discount notes, floating rate notes, notes and bonds.

B. The securities named above as being issued by each agency are illustrative only. Since agencies periodically issue a new form of security with the similar guarantees, any such guaranteed security issued by the above referenced agencies shall be eligible for investment by the treasurer.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:327(B)(1)(b).

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Office of the Treasurer, LR 15:751 (September 1989), repromulgated LR 29:192 (February 2003).

§503. Time Certificates of Deposit

A. Noncompetitive Bid Procedures for Time Certificates of Deposit. The state treasurer shall designate the amount of state funds available for time certificates of deposit to financial institutions in the state of Louisiana.

1. Frequency of Rate Setting. Each Tuesday, or in the case of a holiday, the first business day following the holiday, the state treasure shall set interest rates to be paid on certificates of deposit. This interest rate shall remain in effect until the next Tuesday or first business day following the holiday.

2. Procedure for Time Certificates of Deposit Maturing One Year or Less. The interest rate shall be determined by the following procedure for certificates of deposit maturing one year or less.

a. The following interest rates shall be surveyed on the day the interest rate is set and averaged to determine the interest rate.

i. National Certificates of Deposit which is the average of the top rates paid by major New York money banks on primary new issues of negotiable certificates of deposits, usually on amounts of $1,000,000 or more with similar length of maturity as quoted from the *Wall Street Journal* or a nationally recognized quotation system or the National Average of Jumbo Certificates of Deposit as compiled by Banxquote Money Markets cited in the *Wall Street Journal* or a nationally recognized quotation system, less 15 basis points.

ii. U.S. Treasury Obligation with similar length of maturity at the bond equivalent rate adjusted for a 360-day basis obtained from the current auction or *Wall Street Journal*.

iii. Survey of Financial Institution Rates of Interest on a weekly rotating basis shall be conducted. Two small and two large financial institutions from those eligible to receive public funds deposits shall be polled as to the interest rate offered on published jumbo certificates of deposits of $100,000. The highest rate from each of the small and large financial institutions polled shall then be averaged, 15 basis points shall be deducted from the averaged figure and the result shall be the interest rate for this category. To establish the ranking of a financial institution as small or large, annually in April, the state treasurer shall compile a list of financial institutions by total assets based on the latest annual financial statements available, as ranked by Sheshunoff Bank Rankings, the Louisiana Banker's Association, or other listing. The financial institution shall be ranked by size as follows:

(a). small: $0-$100 million in total assets;

(b). large: greater than $100 million in total assets.

b. Minimum Interest Rate. For maturities of one year or less, the minimum interest rate shall be the discount rate on U.S. Treasury bills with a similar length of maturity.

c. Determination of Rate. The interest rate shall be an equally weighted average of those interest rates obtained in §503.A.2.a.i, ii and iii. This interest rate shall be compared to the minimum interest rate in §503.A.2.b. Whichever rate is higher shall be the rate of interest on the time certificates of deposit.

d. Calculation and Interest Payment. All certificates of deposit maturing in one year or less shall be calculated on a 360-day basis with interest paid at maturity. The treasurer reserves the right to collect interest on a more frequent basis in cases of unusual circumstances, such as a financial emergency of the state or if a financial institution's financial position is deteriorating and collection of interest on a more frequent basis is determined appropriate by the treasurer to protect state funds.

3. Procedure for Time Certificates of Deposit Maturing Greater than One Year. The interest rate shall be determined by the following procedure for certificates of deposit maturing greater than one year.

a. The following interest rates shall be surveyed on the day the interest rate is set and averaged to determine the interest rate.

i. U.S. Treasury Obligation with similar length of maturity calculated on yield to maturity obtained from the current auction or *Wall Street Journal*.

ii. Agencies. Any one of the agencies listed in §501 with similar length of maturity calculated on yield to maturity obtained from the *Wall Street Journal*.

iii. Survey of Financial Institution Rates of Interest on a weekly rotating basis shall be conducted. Two small and two large financial institutions from those eligible to receive public funds deposits shall be polled as to the interest rate offered of jumbo certificates of deposits of $100,000. The highest rate from each of the small and large financial institutions polled shall then be averaged, 15 basis points shall be deducted from the averaged figure and the result shall be the interest rate for this category. To establish the ranking of a financial institution as small or large, annually in April, the state treasurer shall compile a list of financial institutions by total assets based on the latest annual financial statements available, as ranked by Sheshunoff Bank Rankings, the Louisiana Banker's Association, or other listing. The financial institutions shall be ranked by size as follows:

(a). small: $0-$100 million in total assets;

(b). large: greater than $100 million in total assets.

b. Minimum Interest Rate. For maturities of greater than one year, the minimum interest rate shall be the yield to maturity on U.S. Treasuries with similar length maturities.

c. Determination of Rate. The interest rate shall be an equally weighted average of those interest rates obtained in §503.A.3.a.i, ii and iii. This interest rate shall be compared to the minimum interest rate in §503.A.3.b. Whichever rate is the higher shall be the rate of interest on the time certificates of deposit.

d. Calculation and Interest Payment. All certificates of deposit maturing in greater than one year shall be calculated on a 360-day basis with interest paid semi-annually from date of inception. The state treasurer reserves the right to collect interest on a more frequent basis in cases of unusual circumstances, such a financial emergency of the state or if a financial institution's financial position is deteriorating and collection of interest on a more frequent basis is deemed appropriate by the treasurer to protect state funds.

B. Competitive Bid Time Certificates of Deposit. Pursuant to R.S. 49:327(B)(1)(d), 20 percent of the amount designated by the treasurer to be available for certificates of deposit to financial institutions in the state of Louisiana may be competitively bid.

1. Frequency of Bid. On the third Tuesday of each month, or in the case of a holiday, the first business day following the third Tuesday of each month, the state treasurer may offer the amount of funds determined to be available for competitive bid to be invested effective on the second business day following the acceptance of the bids. Should additional funds become available for competitive bid, the state treasurer reserves the right to offer such funds for bid on any business day.

2. Eligibility to Bid

a. A financial institution shall become eligible to bid on the designated amount of state funds by annually completing a questionnaire by which the financial institution shall certify the following:

i. each financial institution shall state the amount of state funds it will be able to accept for bid. Refer to §503.C for the total maximum amount of certificates of deposit which shall be allowed to be maintained by each financial institution;

ii. meets Federal Deposit Insurance Corporation (FDIC), Savings Association Insurance Fund (SAIF), Federal Savings and Loan Insurance Corporation (FSLIC) Resolution Fund and National Credit Union Association (NCUA) capital adequacy requirements;

iii. solvent under generally accepted accounting principles and/or regulatory accounting requirements;

iv. the financial institution is profitable in one of the last three years as indicated in the audited financial statements or fiscal year end financial statements certified by the board of directors of the financial institution.

b. Should the overall financial condition of the financial institution substantially decline from the previous period, the state treasurer shall remove this financial institution from the list of eligible bid institutions until the institution's financial condition has returned to the minimum criteria stated above.

3. Required Financial Information. The financial institutions participating in the bid process for certificates of deposit shall provide the state treasurer's office with publicly disclosable quarterly call reports when filed with the appropriate regulatory authority. The complete quarterly call report shall be sent to the state treasurer in 90 days from the end of the quarter. Annual audited financial statements or financial statements certified by the board of directors, if annual audited statements are not available, shall be provided to the state treasurer upon completion.

4. Minimum Interest Rate. For maturities of one year or less, the minimum interest rate shall be the discount rate on U.S. Treasury bills with a similar length of maturity. For maturities of greater than one year, the minimum interest rate shall be the yield of maturity on U.S. Treasury Obligations with similar length maturities as provided for in §503.A.2.b and §503.A.3.b.

5. Determination of Rate. The state treasurer shall determine the amount of funds available for competitive bid. Bids will be opened for the available amount of funds from 9 a.m. to 12 p.m. on the third Tuesday of each month, or in

the case of a holiday, the first business day following the third Tuesday of each month. Those financial institutions eligible under §503.B.2 and who are interested in bidding for available state funds may call the state treasurer's office from 9 a.m. to 12 p.m. on the day designated and bid on the state funds indicating a dollar amount and interest rate. The highest interest rate bid shall be accepted provided that the interest rate is the same as or above the minimum rate in §503.B.4 and deemed acceptable to the state treasurer. The state treasurer reserves the right to reject all bids. The winners of the bid(s) will be notified by phone between 1 p.m. and 4:30 p.m. on the same day. The financial institutions winning the bid shall confirm in writing the amount and interest rate the financial institution bid by telephone. The certificates of deposit shall be effective on the second business day after acceptance of the bid(s). Upon receipt of acceptable collateral on the effective date, the state treasurer shall wire the appropriate amount of funds to the financial institution. Interest shall begin to accrue on the second business day after the acceptance of the bid(s).

6. Collateral for Competitive Bid Time Certificates of Deposit. Collateral for competitive bid time certificates of deposit shall be in a form acceptable to the state treasurer as indicated on the most recent list of acceptable collateral prepared by the state treasurer's office. Such a list is available upon request. Should the state treasurer deem it necessary to limit the acceptable collateral, each bidder shall be notified of such change prior to the bid.

7. Calculation and Interest Payment. All certificates of deposit maturing in one year or less shall be calculated on a 360-day basis with interest paid at maturity. All certificates of deposit maturing greater than one year shall be calculated on a 360-day basis with interest paid semi-annually from date of inception. The state treasurer reserves the right to collect interest on a more frequent basis in cases of unusual circumstances, such as a financial emergency of the state or if a financial institution's financial position is deteriorating and collection of interest on a more frequent basis is deemed appropriate by the state treasurer to protect state funds.

C. Total Amount of Certificates of Deposit with Each Financial Institution. The maximum total amount of certificates of deposit with each eligible financial institution of bid and nonbid certificates shall not exceed at any one time, the total capital, surplus and undivided profits, exclusive of loan loss reserves. Should the financial institution have losses indicated, the loss shall be deducted from the total capital and surplus to determine the total amount of certificates of deposit at any one time. The total amount of certificates of deposit shall be determined based on the latest annual financial statements available which have been certified by the secretary of the board. This determination shall be set annually in April. The state treasurer reserves the right to maintain less than the maximum amount of deposits with the financial institution should the treasurer deem it in the best interest of the state. §503.C shall be phased in over a one-year period commencing January 1, 1990.

D. Collateral Securing Certificates of Deposit

1. Each financial institution shall submit a signed collateral agreement as issued by the treasurer in order to be eligible for both bid and nonbid certificates of deposit. This requirement shall be effective upon completion of the collateral agreement by the state treasurer.

2. All collateral securing certificates of deposit shall be in a form acceptable to the treasurer and meet the collateral requirements under R.S. 49:321.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:327(B)(1)(b).

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Office of the Treasurer, LR 15:751 (September 1989), amended LR 16:137 (February 1990), repromulgated LR 29:193 (February 2003).

Title 71
TREASURY—PUBLIC FUNDS
Part III. Bond Commission—Debt Management

Chapter 1. The Commission

§101. Purpose

A. The following constitutes a full and complete description of the organization and the general course and method of operation of the commission, the organizational chart of which is attached hereto as §107, Exhibit A, and is made a part hereof.

B. By law, the commission shall have a chairman and a secretary and such other officers as the commission may elect. Present law provides that the chairman of the commission shall be the state treasurer, who is authorized to appoint the secretary. The duties of the chairman are defined by law and are generally those performed by the principal officer of a board or commission. The secretary is responsible for certifying all official proceedings and acts of the commission and is custodian of its official records and documents, performing such additional duties as are normally undertaken by the secretary of a commission or board. Also, the secretary shall assume certain duties of the chairman in his absence, or at his direction, and shall perform such other tasks as may be assigned by the chairman or commission.

C. The commission is a constitutionally created body and, under constitutional and statutory authority, the state agencies and political subdivisions may not incur debt or levy taxes or hold elections therefor without the approval or the authorization of the commission.

D. The commission receives applications from parishes, municipalities, special taxing districts, and other political subdivisions of the state, requesting authority to incur debt or levy taxes. These applications are reviewed for compliance with constitutional and statutory requirements and feasibility, including the ability to repay any indebtedness incurred. If the applications are in order, they are placed on an agenda for consideration by the commission at a regular or special meeting. At the meeting the commission either approves or disapproves the application or defers action on the application for further discussion. Certified copies of excerpts of minutes showing approval are sent to those who have submitted applications which are approved. Those whose applications are disapproved are notified.

E. The commission prepares all resolutions, official statements, notices, and all other proceedings in the issuance of state general obligation debt. In this regard, the commission publishes notices for receipt of bids on state debt and receives bids from underwriters seeking to purchase bonds of the state. The commission sees that the bonds are printed and delivered to the successful purchaser. The commission also issues obligations representing any debt which state agencies and authorities may incur.

F. Applications may be submitted and information may be obtained by writing to Bond Commission, Box 44154, Baton Rouge, LA 70804, Attention: Secretary, Bond Commission. Inquiries may be made by calling (225) 342-0067.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 2:343 (November 1976), amended LR 4:393 (October 1978).

§103. Original Rules (1975)

A. The following constitutes all of the existing rules, as defined in the Act, including all rules in existence on January 1, 1975, and all other written statements of policy or interpretations formulated, adopted, or used by the commission in the discharge of its functions, including all final orders, decisions and opinions, as amended.

B. The following has been adopted concerning meeting dates: Regular meetings shall be held at 10 a.m. on the third Thursday of each month, provided that:

1. any meeting at which bids are to be received for the sale of bonds may be held at either 10 a.m. or 11 a.m., any meeting held during Legislative Sessions will be held at 8 a.m. unless bids are to be received for the sale of bonds; and

2. any meeting held in lieu of a regular meeting date due to state holidays shall be deemed a regular meeting, and such new meeting date shall be determined by the chairman of the commission; special meetings may be called by the chairman of the commission on any date.

C. Applications, to include the name, address, and telephone number of the responsible official, must be filed with the commission at least 20 working days prior to the commission meeting at which the application will be considered. However, the secretary of the commission may approve a later filing for an emergency or an extraordinary situation. One copy of any related resolution or ordinance, certified by a duly authorized official, and one copy of the financial statements described in §103.E shall be submitted with the application. Unless otherwise provided by these rules, all information relating to an application shall be submitted to the commission no later than 10 working days prior to the commission meeting at which the application will be considered; otherwise, the application will not be docketed for consideration.

D. Notices of meetings and tentative agendas will be mailed or otherwise made available to each member and any other party who has requested same at least six days prior to the meeting, and notices of meetings will be posted in accordance with law.

E. Financial statements, as described below, must be submitted with all applications to incur debt.

1. If the recently completed operating year ended less than 90 days prior to the date of the application to incur debt, the following financial statements must be submitted with the application:

a. financial statements covering all funds for the second preceding year; and

b. interim financial statements, for the General Fund and for the fund from which the debt will be paid, from the date of the last financial statements to three months prior to the date of the application.

2. If the most recently completed operating year ended 90 days or more prior to the date of the application to incur debt, the following financial statements must be submitted with the application:

a. prior year financial statements covering all funds; and

b. interim financial statements, for the General Fund and for the fund from which the debt will be paid, from the date of the prior year financial statements to three months prior to the date of the application.

F. The secretary of the commission shall be responsible for docketing all matters to be considered by the commission, and no matter will be docketed that does not comply with commission policy or that cannot otherwise be legally considered.

G. A personal appearance by a representative of the applicant is necessary in emergency matters; no such personal appearance is otherwise necessary unless specifically requested by the commission staff.

H. The secretary or assistant secretary of the commission shall be responsible for presenting all matters to the commission and will report all matters with a recommendation for approval, disapproval, deferral, or no recommendation.

I. A docket meeting among representatives of the commission staff, the Legislative Auditor's Office, and the Attorney General's Office will be held prior to each commission meeting to review all matters on the agenda.

J. The following shall be furnished to the commission staff in regard to the issuance of bonds or other evidences of debt:

1. a copy of the official statement when prepared; and

2. a copy of the bid submitted by the bidder or bidders to whom the bonds were awarded and an amortization schedule when available.

K. All legal fees to be paid in connection with all applications shall be in accordance with the Attorney General's fee schedule and shall be subject to his approval. Each applicant shall state the amount of the attorney's fee or that said fee does not exceed said schedule, in order to comply with this rule.

L. The maximum financial advisor's fee and maximum underwriter's compensation on negotiated sales shall be approved by the commission; provided, however, that, in the case of industrial revenue bonds, no commission approval shall be required.

M. Approval of the Department of Commerce and Industry must be obtained for projects to be funded by industrial revenue bonds, including industrial development board and public trust projects, which approval shall certify compliance with the provisions of Rule 1 adopted by the Board of Commerce and Industry. If such approval is not obtained prior to submission of the application to the commission, then any approval of the commission will be made subject to approval of the Department of Commerce and Industry.

N. The results of all elections which are authorized by the commission shall be reported to the commission by a representative of the applicant as soon as they are promulgated.

O. All advance refundings must be conducted strictly in compliance with all proposed federal regulations regarding arbitrage or any other matter relating thereto.

P. Line of Credit

1. A *cash line of credit* is an authorization to a state agency to proceed with a project and draw from the State Treasury funds for the project prior to the sale of bonds for that project. The maximum amount of lines of credit in any fiscal year which may be authorized by the commission shall be the amount set forth in the comprehensive capital outlay act adopted by the Legislature. Bonds shall be issued to replenish lines of credit granted in the fiscal year in which the line of credit was granted. No lines of credit may be granted for a project unless and until either the bonds have been sold, lines of credit have been granted, or a certificate of impossibility and impracticality has been issued for all projects of higher priority as stated in the comprehensive capital budget adopted by the Legislature. The maximum amount of lines of credit provided herein shall not apply in cases where the commission shall deem an item to be an emergency matter.

2. Monies advanced on a line of credit for any project shall be spent only in accordance with the description in the bond authorization act authorizing bonds to be issued for that project.

3. Prior to the execution of any contract or agreement obligating the expenditure of monies received by any state department or agency or any other entity from line of credit funds, the Attorney General's Office shall be requested to review such proposed contracts or agreements for the sole purpose of determining whether expenditure of funds thereunder is for the purpose of furthering the applicable project adopted by the Legislature. If given, such prior approval by the Attorney General's Office shall be in writing to the appropriate state department, agency, or other entity with a copy to be furnished to the Bond Commission.

4. Should the Attorney General's Office determine that the proposed expenditure of line of credit funds not be in order, no funds may be used to pay obligations which may be incurred if such contracts are executed after an adverse conclusion by the Attorney General's Office.

5. All approvals of lines of credit shall be conditioned on compliance by the state department, agency, or other entity with the aforementioned procedure, and it shall be their duty to request approval from the Attorney General's Office, stating to which bond act and to which project the contract or agreement in question pertains. Failure to comply with such procedure by any such department, agency, or other entity shall result in the immediate revocation of the line of credit, and all information regarding the possible expenditure of line of credit funds for other than authorized purposes shall be forwarded immediately by the commission to the Attorney General's Office and the District Attorney's Office.

Q. Concerning the matter of ratings obtained from rating agencies for issuances of debt, the commission has adopted the following policy.

1. The commission staff will request of the rating agency in writing what information the rating agency requested the issuer to furnish, which has not been so furnished.

2. The commission staff will ask that the rating agency inform the commission when such rating agency requests information from an issuer by providing the commission with a copy of the request.

3. The commission staff will send a letter to the issuer from whom the rating agency has requested information, with a copy to the issuer's bond attorney, and will assist the issuer and the bond attorney in preparing responses to the rating agency.

4. Once a rating has been obtained, the issuer will put forth its best effort to furnish the requested information to the rating agency.

R. Meetings of the commission shall be conducted in accordance with *Robert's Rules of Order*.

S. The attached guidelines are provided in part for informational purposes but also set forth requirements for approval of applications submitted to the commission.

T. Commission rules regarding revenue bonds of state agencies and public trust bonds if the state is the beneficiary are as follows.

1. No state agency or public trust authority will begin planning a project without first notifying the secretary of the commission of the details of such plans.

2. The secretary will either report the undertaking to the commission or arrange for the principals involved to appear before the commission for a preliminary presentation.

3. The secretary of the commission will be advised of all meetings as plans progress and will be furnished copies of all written documents in order that the staff of the commission may participate in and/or be kept abreast of all developments.

4. At such time as the secretary determines that the project will be undertaken and prior to any commitments by any of the parties involved, a preliminary presentation will be scheduled for commission consideration. This presentation will consist of a complete report of progress to date and future plans. The commission will either preliminarily authorize or disapprove proceedings with the project.

5. All third party contracts will be subject to review by the secretary of the commission and all contracts which directly relate to a determination which must be made by the commission will be subject to review by the commission.

6. Applications to the commission to sell bonds on behalf of an agency or public trust authority will be made by certified resolution duly adopted by the issuing authority and will be accompanied by such documents as are necessary to justify the need and feasibility of the undertaking.

7. The following acts, documents, and contracts shall either be approved by the commission prior to consummation or entered into subject to the approval or ratification of the commission (unless the authority for such approval or ratification is vested in the chairman or secretary of the commission):

a. appointment of bond counsel;

b. appointment of special legal counsel;

c. appointment of financial advisors;

d. appointment of underwriters;

e. appointment of trustee banks and paying agents banks;

f. employment of firms to undertake feasibility studies;

g. appointment of all other consultants not referred to in Subparagraphs a.-f. above;

h. official statement;

i. notice of sale;

j. authorizing bond resolution;

k. bond indenture;

l. agreement to purchase bonds;

m. all other contracts that relate to the sale or security of the bonds, the disposition of bond proceeds, or the operation of the project or undertaking.

U. Those portions of the Debt Policy and Procedures Law, R.S. 39:1361-66, and the Bond Commission Law, R.S. 39:1401-10, and any other law pertaining to the issuance of state general obligation bonds, are hereby declared to be the rules and procedures under which state general obligations bonds shall be authorized, issued, sold, and the procedures therefrom applied.

V.1. All applications for special emergency elections, as allowed under the authority of R.S. 18:402(F)(6), shall first be reviewed by a special committee appointed by the chairman of the Bond Commission, to review applications for the granting of special emergency election dates. The

following criteria shall be used by the committee to determine whether an emergency situation exists.

a. An emergency shall be a sudden, unexpected occurrence or set of circumstances which is beyond the control of the governing authority of the parish, municipality, or parish or city school board.

b. The resolution of the emergency situation can be accomplished only with the approval of a special emergency election date.

c. A substantial loss, either financial or nonfinancial, to the public, or the foregoing of a substantial gain by the public, will occur.

2. A governing authority may request approval of an election date only or approval of both the date and the actual holding of the election. Should the governing authority request approval of an election date only, then it shall specify such date and request such approval in resolution form prior to review by the committee. Should the governing authority request approval of both the date and the actual holding of the election, it shall submit the following in resolution form prior to review by the committee:

a. the date of the proposed election (must be on a Saturday);

b. declaration of an emergency by the governing authority of the parish, municipality, or parish or city school board;

c. written reasons for requesting a special emergency election date;

d. sufficient data for approval of a bond, tax, or other election at which a proposition or question is to be submitted to the voters; and

e. cost of the proposed emergency election.

3. After review, the committee will recommend to the Bond Commission that the application for an emergency election date be either approved or disapproved.

W. It is the policy of the Bond Commission that the interest rate be established and submitted with applications for budgetary or excess revenue loans, and for loans secured by the pledge of the avails of a special tax. Where such interest rate is above 6 percent, the applicant must apply for the loan at not less than two lending institutions and must have received replies from such institutions stating either the interest rate at which such institution will grant the loan, or that such institution will not grant the loan. Such replies must be submitted with the application to the Bond Commission.

X. Procedure for Adoption, Amendment, or Repeal of Rules of the Bond Commission [as defined by R.S. 49:951(6)]

1. The Bond Commission shall, prior to the adoption, amendment, or repeal of any rule, afford all interested persons reasonable opportunity to submit data, views, or arguments, orally or in writing. In case of substantive rules, opportunity for oral presentation or argument shall be granted if requested by 25 persons, by a governmental subdivision or agency, by an association having not less than 25 members, or by a committee of either house of the Legislature to which the proposed rule change has been referred under provisions of Section 968 of Title 49.

a. At least eight working days prior to the meeting of the Bond Commission at which a rule or rules are proposed to be adopted, amended, or repealed, notice of an intention to make an oral or written presentation shall be given to the director or assistant director of the Bond Commission. If the presentation is to be oral, such notice shall contain the name or names, telephone numbers and mailing address of the person or persons who will make such oral presentation, who they are representing, the estimated time needed for the presentation, and a brief summary of the presentation. Notice of such oral presentation may be sent to all Bond Commission members prior to the meeting. If the presentation is to be written, such notice shall contain the name or names of the person or persons submitting such written statement, who they are representing, and a copy of the statement itself. Such written statement will be sent to all Bond Commission members prior to the meeting.

b. The commission shall consider all written and oral submissions respecting the proposed rule. Upon adoption of a rule, the commission, if requested to do so by an interested person either prior to adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for or against its adoption.

2. Any interested person may petition the Bond Commission requesting the adoption, amendment, or repeal of a rule. Each request must state either the present rule to be amended along with proposed changes, or text of the proposed new rule to be presented to the Bond Commission for adoption. Upon receipt by the director, notice of such request, and such other information as he may deem appropriate, shall be sent to all Bond Commission members. The person requesting the change or his representative shall be present at the Bond Commission meeting to make a presentation and/or to answer any questions. Within 90 days after submission of a petition, the Bond Commission shall either deny the petition in writing, stating reasons for denial, or will initiate rulemaking proceedings.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 2:344 (November 1976), amended LR 4:393 (October 1978), LR 7:12 (January 1981), LR 7:50 (February 1981), LR 8:523 (October 1982), LR 11:643 (June 1985), LR 14:231 (April 1988), LR 15:197 (March 1989), LR 20:1020 (September 1994), LR 22:1244 (December 1996).

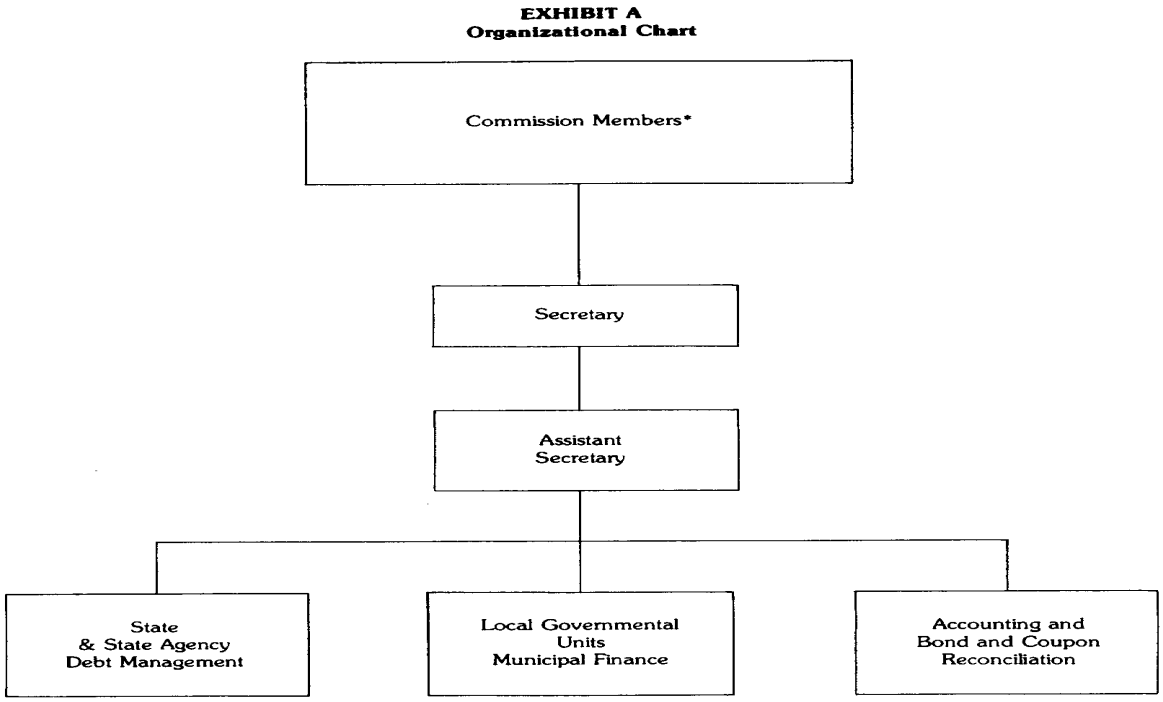
§105. Organization

A. The staff of the commission is hereby further authorized and directed to file in the office of the Division of Administration and to make available to the Division of Administration for publication all necessary information and data, including that contained in this Resolution, and to take any and all additional action necessary to implement the provisions of the Act, as the Act applies to the commission.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 2:349 (November 1976), amended LR 4:395 (October 1978).

§107. Organizational Chart



*Commission Members are as follows: State Treasurer (Chairman), Governor, Lieutenant Governor, Secretary of State, Attorney General, President of the Senate, Speaker of the House, Chairman of the Senate Finance Committee, Chairman of the Senate Revenue and Fiscal Affairs Committee, Chairman of the House Committee on Appropriations, Chairman of the House Committee on Ways and Means, Commissioner of Administration.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 2:350 (November 1976), amended LR 4:396 (October 1978).

EDITOR'S NOTE: The footnotes referenced in the following Sections can be found in §133.

§109. Police Juries—Taxes

A. General Ad Valorem Tax. A parish may levy annually an ad valorem tax for general purposes not to exceed four mills of assessed valuation [Article VI, Section 26(A), 1974 Constitution]. Millage may be increased when approved by a majority of electors voting in an election held for that purpose in any parish. (Orleans Parish, seven mills; Jackson Parish, five mills.) Parish tax in municipalities except Orleans is limited to one-half of the tax levy for general purposes. The following information is required:

1. a copy of the resolution adopted by the governing authority setting forth[1] the millage to be levied;

2. duration of tax;

3. purpose;

4. whether new tax or reinstitution of existing tax;

5. millage currently being levied (if applicable);

6. authority under which tax is being levied; and

7. election date (if applicable).

B. Ad Valorem Tax (not for general purposes). The proposition shall state specific purpose and length of time tax is to be levied [Article VI, Section 26(B), 1974 Constitution]. The following information is required:

1. a copy of the resolution adopted by the governing authority setting forth[1] the millage to be levied;

2. duration of tax;

3. purpose;

4. whether new tax or reinstitution of existing tax;

5. millage currently being levied (if applicable);

6. authority under which tax is being levied;

7. election date; and

8. proposition.

C. Sales Taxes [Article VI, Section 29(A), 1974 Constitution]. The governing authority of local governmental subdivisions may levy a tax upon the sale at retail, the use, the lease or rental, the consumption, and the storage for use or consumption, of tangible personal property and on sales of services as defined by law, if approved by a majority of the electors. The rate cannot exceed 3 percent within any local governmental subdivision. The following information is required:[2]

1. a copy of the resolution adopted by the governing authority setting forth[1] the percent tax to be levied;

2. duration of tax;

3. purpose;

4. percent tax presently being levied within parish (local governmental subdivision);

5. election date; and

6. proposition.

D. Additional Sales Tax Authorized [Article VI, Section 29(B)]. The Legislature may authorize additional sales taxes if approved by a majority of the electors. The following information is required:

1. a copy of the resolution adopted by the governing authority setting forth[1] the percent tax to be levied;

2. duration of tax;

3. purpose;

4. percent tax presently being levied within parish (local governmental subdivision);

5. election date;

6. proposition; and

7. legal authority for increased percentage.

E. Special Taxes (Article VI, Section 32 of 1974 Constitution and R.S. 39:801 et seq.). Political subdivisions may levy special taxes when authorized by a majority of electors for the purpose of acquiring, constructing, improving, maintaining, or operating any work of public improvement. The following information is required:

1. a copy of the resolution adopted by the governing authority setting forth[1] the amount of tax;

2. duration;

3. purpose;

4. proposition;

5. request for authority to hold election and to levy and collect tax if approved by electors; and

6. election date.

F. Local or Special Assessments (Article VI, Section 36). The Legislature shall provide by general law or by local or special law the procedures by which a political subdivision may levy and collect local or special assessments on real property for the purpose of acquiring, constructing, or improving works of public improvement. Certificates of indebtedness may be issued to cover the cost of any such public improvement. They shall be secured by the pledge of local or special assessments levied therefor and may be further secured by the pledge of the full faith and credit of the political subdivision. The following information is required:

1. a copy of the resolution adopted by the governing authority setting forth:[3]

a. a list of the streets and property affected by the proposed work or improvement;

b. the ordinance, petition, or resolution authorizing public improvement and levying local or special assessment;

2. an engineering report, which shall set forth the total cost of the improvement, engineer's fees, attorney's fees, other expenses chargeable to the cost of improvement, total front footage affected, cost per front foot (with a description of the property affected);

3. statement of benefit (benefit to each lot exceeds local or special assessment);

4. copy of contract awarded for public improvements (if applicable) or certified statement of engineer;

5. when certificates of indebtedness are issued, the following information is required:

a. amount of certificates to be issued;

b. duration;

c. interest rate; and

d. security.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 2:347 (November 1976), amended LR 4:396 (October 1978).

§111. Police Juries—Loans

A. Budgetary (R.S. 39:745-747). Current expenses only as set up in budget. May anticipate regular revenues. Cannot borrow more than estimated income. The maximum interest rate for securities is 8 percent (R.S. 39:1424). Maturity no later than March 1 of the year following that in which loan is made (R.S. 39:747). The following information is required:

1. a copy of the resolution adopted by the governing authority setting forth[3] the amount of loan, maturity, interest rate,[5] purpose, and security;

2. a copy of the budget adopted by the governing authority for the current year.

B. Anticipation of Avails of Special Taxes Levied under Article VI, Section 32 of 1974 Constitution and R.S. 39:801 et seq. Tax must be authorized to be levied for the period of the loan. The amount which can be borrowed is limited to 75 percent of the avails of the tax. Anticipation of taxes (R.S. 39:741-744). The following information is required:

1. a copy of the resolution adopted by the governing authority setting forth[3] the amount of loan, maturity, interest rate[5], purpose, and security;

2. a certified statement of expected yield from the special tax levy according to last assessment roll of record.

C. Excess Revenue Certificates of Indebtedness (R.S. 33:2921 et seq.). Provides for pledging excess of revenues (as shown by current budget) in an amount sufficient to pay annual debt service (principal and interest) on the loan, R.S. 33:2923 sets maximum interest rate at 8 percent. The following information is required:

1. a copy of the resolution adopted by the governing authority setting forth[3] the amount of certificates, maturity, interest rate[5], purpose, security (dedication of surplus or excess revenues accruing to the parish above statutory, necessary, and usual charges for number of years over which certificates mature);

2. a copy of the budget adopted by the governing authority showing expected revenues and expenditures, and excess of revenues over statutory, necessary, and usual charges for current year.

D. Federal (Article VII, Section 17 and R.S. 39:821-841). Political subdivisions may borrow from any governmental agency of the United States or from other sources provided said loan is insured, endorsed, or guaranteed by any governmental agency of the United States for any purpose. Political subdivision authorized to incur debt may issue bonds, notes, certificates of indebtedness (R.S. 39:822). Description of bonds, notes or certificates of indebtedness issued under R.S. 39:821-841 (R.S. 39:825). Interest rate limited to 6 percent (R.S. 39:826). No debt shall be incurred or bonds issued in excess of constitutional limitation and laws of the state, except where the President, or a designated authority, in his or its discretion, and under such terms as he or it may prescribe, may extend any of the benefits of any act of Congress to any political subdivision (R.S. 39:823). Where under any provision of the Constitution of Louisiana, any proposition to incur debt and issue bonds is required to be submitted to a vote of qualified electors, no debt shall be incurred and no bonds shall be issued, except as provided in R.S. 39:824. The information required is the same as for similar borrowings where the United States government or agency is not the lender, endorser, insurer, or guarantor.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 2:348 (November 1976), amended LR 4:397 (October 1978).

§113. Police Juries—Bonds

A. Article VI, Section 33, and R.S. 39:551 provides for incurring debt and issuing bonds by political subdivisions of the state. R.S. 39:552 states parish purposes for which debt may be incurred and bonds issued. Bonds are limited to 40 years duration (R.S. 39:562). All bond issues secured by ad valorem taxes are limited to 10 percent of assessed valuation, except school boards which have a 25 percent limitation and certain industrial bonds which are limited to 20 percent (R.S. 39:562).[4] Parishes may assume the debt of districts wholly within said parish and of the portions of multi-parish districts within that parish, and refund bonds issued for the purpose of readjusting, refunding, extending, or unifying the whole or any part of any such assumed indebtedness which may be issued as authorized by law without being charged against the 10 percent debt limit imposed by R.S. 39:562 (R.S. 39:562.1). The maximum interest rate on ad valorem bonds is 8 percent (R.S. 39:1424). The following information is required.

1. Ad Valorem Tax Secured Bonds (General Obligation or G.O. Bonds):

a. a statement of the assessed valuation according to the last assessment roll of record;

b. a statement of the outstanding ad valorem tax bonded indebtedness and the purpose for which debt was incurred;

c. a copy of the resolution adopted by the governing authority setting forth[1] the amount of issue, duration (including schedule of bond maturities), interest rate, purpose, security, proposition, request to commission to authorize issuance, sale and delivery of bonds if election is carried, and election date;

d. a description of the project, including an estimate of the cost of the project and of the cost of issuing bonds.

2. Revenue Bonds

a. Revenue Bonds Where Election Held (Article VI, Section 37). Secured solely from revenue of utility (R.S. 33:4161-4262). Secured by mortgage and pledge of revenues from the utility (R.S. 33:4221-4230). Legislature by law may authorize political subdivisions to issue bonds or other debt obligations to construct, acquire, extend, or improve any revenue-producing public utility or work of public improvement. The following information is required:

i. a copy of the resolution adopted by the governing authority setting forth[1] the amount of issue, duration (including schedule of bond maturities), interest rate, purpose, security (revenue pledged, property mortgaged, etc.), proposition, request to commission to authorize issuance, sale and delivery of bonds if election is passed, and election date;

ii. a description of the project, including an estimate of the cost of the project and the cost of issuing bonds; and

iii. a preliminary report of economic feasibility, including projection of revenues available to service bonds. Approval of the holding of the election only may be given where feasibility report is not received.

b. Revenue Bonds Which May Be Issued without Election (Article VI, Section 37) (R.S. 39:1011-1024). Any political subdivision, except school boards, may issue bonds or other obligations to construct, acquire, extend, or improve any work or public improvement. Said bonds or other debt obligations may be secured by mortgage on the buildings, machinery, and equipment or by the pledge of the income and revenues derived or to be derived from the work of public improvement owned, leased, or operated by such political subdivision. Said bonds and other debt obligations shall not be a charge upon the other income and revenues of the political subdivision. Such bonds or other debt obligations shall be authorized by resolution of the political subdivision, and shall be limited to 25 years duration and at a rate not to exceed 8 percent per annum. Said bonds and other debt obligations shall not be issued until a notice of intention is published and a public meeting is held on the

issuance of bonds or incurring of debt. If, at this public meeting, a petition is presented with the names of 5 percent of the qualified voters of the political subdivisions objecting to the issuing of bonds or incurring of debt, then an election shall be required; otherwise, the bonds, after approval by the Bond Commission, may be issued. The interest on the bonds or other evidence of indebtedness are tax-exempt (R.S. 39:1023). Said bonds are incontestable after 30 days (R.S. 39:1022). Bonds may be refunded (R.S. 39:1021). The following information is required:

i. a copy of the notice of intent;

ii. proof of publication of notice of intent;

iii. minutes of public meeting;

iv. election date (if applicable);

v. a copy of the resolution adopted by the governing authority setting forth[1] the amount of issue, duration (including schedule of bond maturities), interest rate, purpose, security (revenue pledged, property mortgaged, etc.), proposition (if applicable), request to commission to authorize issuance, sale, and delivery of bonds or other instruments of indebtedness;

vi. a description of project, including an estimate of the cost of the project and of the cost of issuing bonds; and

vii. a preliminary report of economic feasibility, including a projection of revenues available to service bonds. Approval of the holding of the election only may be given where feasibility report is not received.

3. Sales Tax Secured Bonds [Article VI, Section 29(A) and R.S. 33:2724 and R.S. 39:698.1-698.13]. The governing authority of the local governmental subdivision may levy a tax upon the sale at retail, the use, the lease or rental, the consumption, and the storage for use or consumption, of tangible personal property and on sales of services as defined by law, if approved by a majority of the electors. The rate cannot exceed 3 percent within any local governmental subdivision.[2] Sales tax may be funded into bonds which are limited to 75 percent of the avails of the tax (R.S. 33:2724 and R.S. 39:698.4). The following information is required: a resolution of the governing authority to hold a special election to fund into bonds (may be submitted at same election that imposes sales tax or at a separate election held for that purpose) and setting forth[1] the amount to be funded, duration (including schedule of bond maturities), interest rate, purpose, security (sales tax revenue), proposition, and election date.

4. Funding General Alimony Tax into Bonds (R.S. 39:1101 et seq.). Parishes are authorized to levy a tax of four mills without a vote of the people, to be used for current operating expenses. Municipalities may levy a seven mills "constitutional" or "general alimony" tax. Parishes may fund a portion of this tax into bonds for purposes stated in R S. 39:1103. There are some exceptions. The following information is required:

a. a statement of the revenues for current year, statutory and ordinary charges for the current year, number of mills of general alimony tax required for statutory and ordinary charges, amount of residue (in mills or fractions thereof and dollar equivalent) available for funding into bonds; and

b. a copy of the resolution adopted by the governing authority setting forth[3] the amount of bonds, maturity, interest rate, purpose, and security (irrevocable pledge and dedication of so much of avails or residue of general alimony tax collected annually for duration of bonds).

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 2:346 (November 1976), amended LR 4:397 (October 1978).

§115. Municipalities—Taxes

A. General Ad Valorem Tax. A municipality may levy annually an ad valorem tax for general purposes not to exceed seven mills on the dollar of assessed valuation. However, if a municipality, by its charter or by law, is exempt from payment of parish taxes or, under legislative or constitutional authority, maintains its own public schools, it may levy an annual tax not to exceed 10 mills on the dollar of assessed valuation. Millage rates may be increased in any municipality when approved by a majority of electors in an election held for that purpose [Article VI, Section 27(A)]. The following information is required:

1. a copy of the resolution adopted by the governing authority setting forth[1] the millage to be levied, duration of tax, and purpose;

2. whether new tax or reinstitution of existing tax;

3. millage currently being levied (if applicable);

4. authority under which tax is being levied; and

5. the election date and proposition (if applicable).

B. Municipal Ad Valorem Tax (not for general purpose). The proposition shall state specific purpose and length of time tax is to be levied [Article VI, Section 27(B), 1974 Constitution]. Article VI, Section 27, does not apply to New Orleans [Article VI, Section 27(c)]. The following information is required:

1. a copy of the resolution adopted by governing authority setting forth[1] the millage to be levied, duration of tax, and purpose;

2. whether new tax or reinstitution of existing tax;

3. millage currently being levied (if applicable);

4. authority under which tax is being levied;

5. election date; and

6. the proposition.

C. Sales Taxes [Article VI, Section 29(A), 1974 Constitution]. The governing authority of local governmental subdivision may levy a tax upon the sale at retail, the use, the lease or rental, the consumption, and the

storage for use or consumption, of tangible personal property and on sales of services as defined by law, if approved by a majority of the electors. The rate cannot exceed 3 percent within any local governmental subdivision. The following information is required:[2]

1. a copy of the resolution adopted by the governing authority setting forth[1] the percent tax to be levied, duration of tax, and purpose;

2. percent sales taxes presently being levied within local governmental subdivision;

3. election date; and

4. the proposition.

D. Additional Sales Tax Authorized [Article VI, Section 29(B)]. The Legislature may authorize additional sales taxes if approved by a majority of the electors. The following information is required:

1. a copy of the resolution adopted by the governing authority setting forth[1] the percent tax to be levied, duration of tax, and purpose;

2. percent tax presently being levied within local governmental subdivision;

3. election date;

4. proposition; and

5. the legal authority.

E. Special Taxes (Article VI, Section 32 of 1974 Constitution and R.S. 39:801 et seq.). Political subdivision may levy special taxes when authorized by a majority of electors for the purpose of acquiring, constructing, improving, maintaining, or operating any work of public improvement. The following information is required:

1. a copy of the resolution adopted by the governing authority setting forth[1] the amount of tax, duration, and purpose;

2. proposition;

3. request for authority to hold election and to levy and collect tax if approved by electors; and

4. the election date.

F. Local or Special Assessments (Article VI, Section 36). The Legislature shall provide by general law or by local or special law the procedures by which a political subdivision may levy and collect local or special assessments on real property for the purpose of acquiring, constructing, or improving works of public improvement. Certificates of indebtedness may be issued to cover the cost of any such public improvement. They shall be secured by the pledge of local or special assessments levied therefor and may be further secured by the pledge of the full faith and credit of the political subdivision. The following information is required:

1. a copy of the resolution adopted by the governing authority setting forth[3] the list of streets and property affected by the proposed work or improvement, and the ordinance, petition or resolution authorizing the public improvement and levying, local or special assessment;

2. an engineering report which shall set forth the total cost of improvement, engineer's fees, attorney's fees, other expenses chargeable to cost of said improvement, total front foot affected, cost per front foot (with a description of the property affected);

3. a statement of benefit (benefit to each lot exceeds local or special assessment);

4. a copy of the contract awarded for public improvements (if applicable) or a certified statement of the engineer; and

5. when funding into certificates of indebtedness, the following information is required:

a. the amount of certificates to be issued;

b. duration;

c. interest rate; and

d. security.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 2:346 (November 1976), amended LR 4:398 (October 1978).

§117. Municipalities—Loans

A. Budgetary (R.S. 39:745-747). Provides for anticipation of General Fund or budgetary revenues for current operations. May anticipate regular revenues. Cannot borrow more than estimated income. The maximum interest rate for securities is 8 percent (R.S. 39:1424). Maturity—no later than March 1 of the year following that in which loan is made (R.S. 39:747). The following information is required:

1. a copy of the resolution adopted by the governing authority setting forth[3] the amount of loan, maturity, interest rate,[5] purpose, and security; and

2. a copy of the budget adopted by the governing authority for the current year.

B. Anticipation of Avails of Special Taxes Levied under Article VI, Section 32 of 1974 Constitution and R.S. 39:801 et seq. Tax must be authorized to be levied for the period of the loan. The amount which can be borrowed is limited to 75 percent of the avails of the tax. Anticipation of taxes (R.S. 39:741-744). The following information is required:

1. a copy of resolution adopted by governing authority setting forth[3] the amount of loan, maturity, interest rate,[5] purpose, and security; and

2. a certified statement of expected yield from the special tax levy according to the last assessment roll of record.

C. Excess Revenue Certificates of Indebtedness (R.S. 33:2921 et seq.). Provides for pledging excess of revenues (as shown by current budget) in an amount sufficient to pay annual debt service (principal and interest) on the loan. R.S. 33:2923 sets maximum interest rate at 8 percent. The following information is required:

1. a copy of resolution adopted by governing authority setting forth[3] the amount of certificates, maturity, interest rate,[5] purpose, and security (dedication of surplus or excess revenues accruing to the municipality above statutory, necessary, and usual charges for number of years over which certificates mature); and

2. a copy of the budget adopted by the governing authority showing expected revenues and expenditures, and excess of revenues over statutory, necessary, and usual charges for current year.

D. Public Emergency (R.S. 33:2924). A municipality may determine a public emergency and borrow an amount necessary to meet said emergency. The repayment of such sums shall be a fixed charge upon the revenues of the year next following the year in which the sum is borrowed. Interest is limited to 8 percent (R.S. 39:1424). The following information is required:

1. a copy of the ordinance or resolution adopted by the governing authority setting forth[3] the amount of loan, maturity, interest rate, purpose, and security; and

2. the ordinance or resolution declaring an emergency (explain emergency).

E. Federal (Article 7, Section 17 of Constitution and R.S. 39:821-841). Political subdivisions may borrow from any governmental agency of the United States or from other sources provided said loan is insured, endorsed, or guaranteed by any governmental agency of the United States for any purpose. Political subdivision authorized to incur debt may issue bonds, notes, and certificates of indebtedness (R.S. 39:822). Description of bonds, notes, or certificates of indebtedness issued under R.S. 39:821-841 (R.S. 39:825). Interest rate limited to 6 percent (R.S. 39:826). No debt shall be incurred or bonds issued in excess of constitutional limitation and laws of state, except where the President, or a designated authority, in his or its discretion, and under such terms as he or it may prescribe, may extend any of the benefits of any act of Congress to any political subdivision (R.S. 39:823). Where under any provision of the Constitution of Louisiana, any proposition to incur debt and issue bonds is required to be submitted to a vote of qualified electors, no debt shall be incurred and no bonds shall be issued, except as provided in R.S. 39:824. The information required is the same as for similar borrowings where the United States government or agency is not the lender, endorser, insurer, or guarantor.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 2:346 (November 1976), amended LR 4:399 (October 1978).

§119. Municipalities—Bonds

A. Article VI, Section 33, and R.S. 39:551, provides for incurring debt and issuing bonds by political subdivisions of the state. R.S. 39:553 states municipal purposes for which debt may be incurred and bonds issued. Bonds are limited to 40 years duration (R.S. 39:562). All bond issues secured by ad valorem taxes are limited to 10 percent of assessed valuation, except school boards which have a 25 percent limitation, and industrial bonds which are limited to 20 percent (R.S. 39:562).[4] The maximum interest rate on ad valorem bonds is 8 percent (R.S. 39:1424). The following information is required:

1. ad valorem tax secured bonds (general obligation or G.O. bonds);

a. a statement of the assessed valuation according to the last assessment roll of record;

b. a statement of the outstanding ad valorem tax bonded indebtedness and the purpose for which debt was incurred;

c. a copy of the resolution adopted by the governing authority setting forth[1] the amount of issue, duration (including schedule of bond maturities), interest rate, purpose, security, proposition, request to commission to authorize issuance, sale and delivery of bonds if election is carried, and the election date;

d. a description of the project, including an estimate of the cost of the project and of the cost of issuing bonds;

2. revenue bonds;

a. revenue bonds where election is held (Article VI, Section 37). Secured solely from revenue of utility (R.S. 33:4161-4262). Secured by mortgage and pledge of revenues from the utility (R.S. 33:4221-4230). Legislature by law may authorize political subdivisions to issue bonds or other debt obligations to construct, acquire, extend, or improve any revenue-producing public utility or work of public improvement. The following information is required:

i. a copy of the resolution adopted by the governing authority setting forth[1] the amount of issue, duration (including schedule of bond maturities), interest rate, purpose, security (revenue pledged, property mortgaged, etc.), proposition, request to the commission to authorize issuance, sale and delivery of bonds if election is passed, and the election date;

ii. a description of the project, including an estimate of the cost of the project and the cost of issuing bonds; and

iii. a preliminary report of economic feasibility, including projection of revenues available to service bonds. Approval of the holding of the election only may be given where feasibility report is not received;

b. revenue bonds which may be issued without election (Article VI, Section 37 and R.S. 39:1011-1024). Any political subdivision, except school boards, may issue bonds or other obligations to construct, acquire, extend, or improve any work or public improvement. Said bonds or other debt obligations may be secured by mortgage on the buildings, machinery, and equipment or by the pledge of the income and revenues derived or to be derived from the work of public improvement owned, leased, or operated by such political subdivision. Said bonds and other debt obligations

shall not be a charge upon the other income and revenues of the political subdivision. Such bonds or other debt obligations shall be authorized by resolution of the political subdivision, and shall be limited to 25 years duration and at a rate not to exceed 8 percent per annum. Said bonds and other debt obligations shall not be issued until a notice of intention is published and a public meeting is held on the issuance of bonds or incurring of debt. If, at this public meeting, a petition is presented with the names of 5 percent of the qualified voters of the political subdivisions objecting to the issuing of bonds or incurring of debt, then an election shall be required; otherwise, the bonds, after approval by the Bond Commission, may be issued. The interest on the bonds or other evidence of indebtedness are tax-exempt (R.S. 39:1023). Said bonds are incontestable after 30 days (R.S. 39:1022). Bonds may be refunded (R.S. 39:1021). The following information is required:

i. a copy of the notice of intent;

ii. proof of publication of the notice of intent;

iii. minutes of the public meeting;

iv. election date (if applicable);

v. a copy of the resolution adopted by the governing authority setting forth[1] the amount of issue, duration (including schedule of bond maturities), interest rate, purpose, security (revenue pledged, property mortgaged, etc.), proposition (if applicable), and the request to the commission to authorize the issuance, sale, and delivery of bonds or other instruments of indebtedness;

vi. a description of the project, including an estimate of the cost of the project and the cost of issuing bonds; and

vii. a preliminary report of economic feasibility, including a projection of revenues available to service bonds. Approval of the holding of the election only may be given where feasibility report is not received;

3. sales tax secured bonds [Article VI, Section 29(A) and R.S. 33:2724 and R.S. 39:698.1-698.13]. The governing authority of a local governmental subdivision may levy a tax upon the sale at retail, the use, the lease or rental, the consumption, and the storage for use or consumption, of tangible personal property and on sales of services as defined by law, if approved by a majority of the electors. The rate cannot exceed 3 percent within any local governmental subdivision.[2] Sales tax may be funded into bonds which are limited to 75 percent of the avails of the tax (R.S. 33:2724 and R.S. 39:698.4). The following information is required:

a. the resolution of the governing authority to hold a special election to fund into bonds (may be submitted at same election that imposes sales tax or at a separate election held for that purpose) and setting forth[1] the amount to be funded, duration (including schedule of bond maturities);

b. interest rate;

c. purpose;

d. security (sales tax revenue);

e. proposition; and

f. the election date;

4. funding General Alimony Tax Into Bonds (R.S. 39:1101 et seq.). Municipalities authorized to levy a seven mills "constitutional" or "general alimony" tax. Municipalities may fund a portion of this tax into bonds for purposes stated in R.S. 39:1104. The following information is required:

a. a statement of the revenues for the current year, statutory and ordinary charges for current year, the number of mills of general alimony tax required for statutory and ordinary charges, and the amount of residue (in mills or fractions thereof and dollar equivalent) available for funding into bonds; and

b. a copy of the resolution adopted by the governing authority setting forth the amount of bonds, maturity, interest rate, purpose, and security (irrevocable pledge and dedication of so much of avails or residue of general alimony tax collected annually for duration of bonds);

5. refunding;

a. utilities revenue refunding bonds (R.S. 33:4259);

b. refunding improvement bonds (R.S. 33:4321-4324);

c. refunding certificates of indebtedness to extend debt when sufficient revenues are not available in current year so as to reduce debt service requirements;

d. refunding bonds; issuing; purposes (R.S. 39:612.1 et seq.).

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 2:347 (November 1976), amended LR 4:399 (October 1978).

§121. School Boards—Taxes

A. Taxes Levied under Authority of Article VI, Section 32. Purpose of acquiring, constructing, improving, maintaining, or operating any work of public improvement. Refers to the construction of capital improvements. Does not include such things as personnel salaries, office supplies or any other item not directly related to the construction or maintenance of a physical plant. No limits. See also, Attorney General Opinion Number 76-51, dated February 26, 1976. The following information is required:

1. copy of the resolution adopted by the school board setting forth[1] the amount of tax, duration, purpose, request for authority to hold election (showing proposition to be submitted) and to levy and collect tax if approved by electors, and the election date;

2. whether the tax is new or a reinstitution of an existing tax;

3. millage currently being levied; and

4. authority under which the tax is being levied.

B. Taxes Levied under Authority of Article VIII, Section 13(c)(Third)

1. Purpose of giving additional support to public elementary and secondary schools. Includes all authorized functions of the school boards, including capital improvements and maintenance thereof. Article VIII provisions can also be used for capital improvement or maintenance of capital improvement purposes if so desired. See also Attorney General Opinion Number 76-51, dated February 26, 1976. The following information is required:

a. a copy of the resolution adopted by the school board setting forth[1] the amount of tax, duration, purpose, request for authority to hold election (showing proposition to be submitted) and to levy and collect tax if approved by electors, and the election date;

b. whether the tax is new or a reinstitution of an existing tax;

c. millage currently being levied; and

d. authority under which the tax is being levied.

2. The gross millage rate of all taxes authorized under §121.B shall not exceed 20 mills in the aggregate at any one time, in addition to the annual five mills maintenance tax authorized to be levied without a vote of the people, and the annual 13 mills maintenance tax authorized for the Orleans Parish School Board, for a period of 10 years (R.S. 39:811-815).

C. Sales Taxes. A school board may levy a tax upon the sales at retail, the use, the lease or rental, the consumption, and the storage for use or consumption, of tangible personal property and on sales of services as defined by law, if approved by a majority of the voters. The rate cannot exceed 3 percent within any local governmental subdivision[2] [Article VI, Section 29(A)]. The following information is required:

1. a copy of the resolution adopted by the school board setting forth[1] the percent tax to be levied, duration of tax, purpose, proposition, and the election date;

2. the percent tax presently being levied within the parish (local governmental subdivision);

3. whether a new tax or the reinstitution of an existing tax; and

4. funding sales tax into bonds (R.S. 33:2724 et seq. limited to 75 percent of the avails of the tax).

D. Additional Sales Tax Authorized [Article VI, Section 29(B)]. The Legislature may authorize additional sales taxes if approved by a majority of the electors. Specific statutory authority must be cited authorizing the levy of the additional sales taxes. The following information is required:

1. a copy of the resolution adopted by the governing authority setting forth[1] the percent tax to be levied;

2. duration of tax;

3. purpose;

4. percent tax presently being levied within parish (local governmental subdivision);

5. election date; and

6. the proposition.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 2:348 (November 1976), amended LR 4:400 (October 1978).

§123. School Boards—Loans

A. Budgetary (R.S. 17:88-89). After the budget has been prepared and adopted, school boards may anticipate revenue for current operation of schools. They may borrow up to one half of expected revenues for the fiscal year. Parishes of Caddo, East Baton Rouge, Jefferson, and Orleans may borrow up to three-fourths because population exceeds 200,000. Permits a loan for one year, to be repaid by end of fiscal year (June 30). Maximum interest rate for securities is 8 percent (R.S. 39:1424). The following information is required:

1. a copy of the resolution adopted by the school board setting forth[3] the amount of loan, maturity, interest rate,[5] purpose, and security; and

2. a copy of the budget adopted by the school board for the current year.

B. Anticipation of Avails of Special Taxes Levied under Article VI, Section 32 or Article VII, Section 13(C) Third. Tax must be authorized to be levied for the period of the loan. The amount which can be borrowed is limited to 100 percent of the avails to construct or improve school houses (75 percent limitation does not prevail). The following information is required:

1. a copy of the resolution adopted by the school board setting forth[3] the amount of loan, maturity, interest rate,[5] purpose, and security; and

2. a certified statement of the expected yield from the special tax levy according to the last rolls.

C. Excess Revenue Certificates of Indebtedness (R.S. 33:2921 et seq.). Provides for pledging excess of revenues (as shown by current budget) in an amount sufficient to pay annual debt service (principal and interest) on the loan. R.S. 33:2923 sets the maximum interest rate at 8 percent. The following information is required:

1. a copy of the resolution adopted by the school board setting forth[3] the amount of certificates, maturity, interest rate,[5] purpose, and security (dedication of surplus or excess revenues accruing to the school board above statutory, necessary and usual charges for number of years over which certificates mature);

2. a copy of the budget adopted by the governing authority showing expected revenues and expenditures, and excess of revenues over statutory, necessary, and usual charges for current year.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 2:348 (November 1976), amended LR 4:401 (October 1978).

§125. School Boards—Bonds

A. Article VI, Section 33, R.S. 39:551 provides for incurring debt and issuing (G.O.) bonds by political subdivisions of the state. R.S. 39:552 states parish purposes for which debt may be incurred and bonds issued. Bonds are limited to 40 years duration (R.S. 39:562). School board bond issues secured by ad valorem taxes are limited to 25 percent of assessed valuation (R.S. 39:562). The maximum interest rate on ad valorem bonds is 8 percent (R.S. 39:1424).

1. Ad Valorem Tax Secured Bonds (General Obligation or G.O. Bonds):

a. a statement of the assessed valuation according to the last assessment roll of record;

b. a statement of the outstanding ad valorem tax bonded indebtedness and the purpose for which debt was incurred;

c. the resolution of the governing body applying for authority to hold an election and setting forth[1] the amount of issue, duration, including schedule of bond maturities, interest rate, purpose, security, proposition, request to the commission to authorize issuance, sale and delivery of bonds if election is carried, and the election date;

d. a description of the project, including an estimate of the cost of the project and of the cost of issuing bonds.

2. Sales Tax Secured Bonds [Article VI, Section 29(A), R.S. 33:2724 and R.S. 39:698.1-698.13]. The governing authority of a school board may levy a tax upon the sale at retail, the use, the lease or rental, the consumption, and the storage for use or consumption, of tangible personal property and on sales of services as defined by law, if approved by a majority of the electors. The rate cannot exceed 3 percent within any school board.[2] Sales tax may be funded into bonds which are limited to 75 percent of the avails of the tax (R.S. 33:2724 and R.S. 39:698.4). The following information is required:

a. a resolution of the school board to hold a special election to fund into bonds (may be submitted at same election that imposes sales tax or at a separate election held for that purpose) and setting forth[1] the amount to be funded;

b. duration (including schedule of bond maturities);

c. interest rate;

d. purpose;

e. security (sales tax revenue);

f. proposition; and

g. the election date.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 2:348 (November 1976), amended LR 4:401 (October 1978).

§127. Industrial Development

A. Industrial Inducement Revenue Bonds Issued by Parishes, Municipalities, and Industrial Districts (R.S. 39:991-1001). Parishes, municipalities, and industrial development districts may issue revenue bonds in order to encourage the location of or addition to industrial enterprises therein or adjoining thereto and may acquire, purchase, lease, rent, construct, or improve industrial plant sites and industrial plant buildings, including facilities for the generation of electricity and production of steam and other forms of energy, and pollution abatement and control facilities, and necessary property and appurtenances thereto, and may sell, lease, sublease, or otherwise dispose of, by suitable and appropriate contract, to any enterprise locating or existing within or adjoining such municipality, such sites, buildings, and/or facilities, and appurtenances thereto, all or severally. The revenue bonds shall be limited obligations of the parish, municipality, or industrial district and shall be payable solely from the income and revenue derived from the sale or lease of the project and may be additionally secured by a mortgage covering all or any part of the project from which the revenue so pledged may be derived. The bonds shall not constitute an indebtedness or pledge of the general credit of the parish, municipality or industrial district. The bonds may be issued for up to 30 years at a rate not to exceed 9 percent per annum. The bonds are incontestable after 30 days (R.S. 39:1000). The following information is required:

1. lease and/or sale agreement setting forth the lessor (vendor), lessee (vendee), sub-lessee (if any), guarantor, amount of issue, rate, type of project, location of project, description of work to be done and who is in charge of construction project (lessee, lessor, other, etc.), ownership of project during term of lease, ownership of project after term of lease, and consideration of ownership changes;

2. guarantee agreement (if any);

3. trust indenture (if any);

4. income statement and balance sheets for the previous five years showing gross sales, net earnings, net earnings per share, and gross revenues;

5. products and services of the corporation;

6. location of corporate headquarters;

7. approval of commerce and industry;

8. the corporate resolution authorizing the project and the application for issuance of bonds;

9. legal authority under which bonds are issued;

10. police jury approval (if applicable).

B. Industrial Inducement Ad Valorem (G.O.) Bonds Issued by Parishes, Wards, or Municipalities or Industrial Districts (R.S. 39:551.1-551.3)

1. Parishes, wards, or municipalities may issue ad valorem (general obligation) bonds for up to 25 years to encourage the location of or addition to industrial enterprises within the parishes. Municipalities may encourage the location of or addition to industrial enterprises in an adjoining area or area outside the corporate limits of the municipality but within the parish in which the municipality is located. Industrial parks may also be created (R.S. 39:551.3). Bonds so issued shall not exceed 20 percent of the assessed valuation of the parish, ward, or municipality.[4] Title to property or improvements must be in the public. The following information is required:

a. a statement of the assessed valuation according to the last assessment roll of record;

b. a statement of the outstanding ad valorem tax bonded indebtedness and the purpose for which debt was incurred;

c. the lease and/or sale agreement setting forth the lessor (vendor), lessee (vendee), sub-lessee (if any), guarantor, location of project, and ownership of project after bonds retired;

d. an income statement and balance sheets for the previous five years showing gross sales, net earnings, net earnings per share, and gross revenues;

e. products and services of the corporation;

f. location of corporation headquarters;

g. the corporate resolution authorizing the lease and/or purchase of property or improvement;

h. a description of the project, including an estimate of the cost of the project and the cost of issuing bonds;

i. a certificate of consent by competing industry;

j. approval of commerce and industry;

k. the resolution of the governing body applying for authority to hold a special election and setting forth[1] the amount of issue, duration (including schedule of bond maturities), interest rate, security, request to the Bond Commission for authority to issue, sell and deliver bonds if the election is carried, the proposition and election date, and the legal authority under which industrial inducement ad valorem bonds are issued.

2. Industrial Districts. The authority conferred by R.S. 39:551.1 on parishes, wards, and municipalities shall apply to any legally constituted industrial districts hereafter created, which are authorized to be created by the governing authority of any parish of the state. No municipality may be included in any industrial district without the consent of the governing body of the municipality. Industrial districts so created shall be political and legal subdivisions of the state. Each such industrial district shall be given a name at the time of its creation which shall include the words "industrial district" and shall have as its governing authority the governing authority of the parish creating it. Industrial parks may also be created (R.S. 39:551.3). The following information is required:

a. a statement of the assessed valuation according to the last assessment roll of record;

b. a statement of the outstanding ad valorem tax bonded indebtedness and the purpose for which debt was incurred;

c. the lease and/or sale agreement setting forth the lessor (vendor), lessee (vendee), sub-lessee (if any), guarantor, location of project, and ownership of project after bonds retired;

d. income statements and balance sheets for the previous five years showing gross sales, net earnings, net earnings per share, and gross revenues;

e. products and services of the corporation;

f. location of corporation headquarters;

g. the corporate resolution authorizing the lease and/or purchase of property or improvement;

h. a description of the project including an estimate of the cost of the project and the cost of issuing bonds;

i. a certificate of consent by competing industry;

j. approval of commerce and industry; and

k. the resolution of the governing body applying for authority to hold a special election and setting forth[1] the amount of issue, duration (including schedule of bond maturities), interest rate, security, a request to the Bond Commission for authority to issue, sell and deliver the bonds if the election is carried, the proposition and election date, and the legal authority under which industrial inducement ad valorem bonds are issued.

C. Industrial Development Boards (R.S. 51:1151-1165). Industrial development boards are public, nonprofit, tax-exempt corporations governed by Title 12 of the Revised Statutes of 1950, as amended, and R.S. 51:1151-1165. An application must first be made to the governing authority of the municipality or parish. R.S. 51:1153 sets out Legislative findings and intent concerning the nature and purposes of industrial development boards, and R.S. 51:1160 exempts them from all taxation within the state of Louisiana. The project must be either an "anti-pollution" or "development" project as defined in R.S. 51:1151. All bonds issued by the corporation shall be payable solely out of revenues and receipts derived from the leasing or sale by the corporation of its projects and shall not be a charge against the credit of the municipality or parish creating the corporation. Publication requirements are set out in R.S. 51:1158.1. Bonds become incontestable after 30 days from publication of notice of intent (R.S. 51:1158.1). The following information is required:

1. the lease and/or sale agreement setting forth the lessor (vendor), lessee (vendee), sub-lessee (if any), guarantor, amount of issue, whether "anti-pollution" or "development" project, location of project, a description of

work to be done and who is in charge of the construction project (lessee, lessor, other, etc.), ownership of the project during the term of the lease, ownership of the project after the term of the lease, consideration for ownership changes, and the rate;

2. guaranty agreement (if any);

3. trust indenture (if any);

4. income statements and balance sheets for the previous five years showing gross sales, net earnings, net earnings per share, and gross revenues;

5. products and services of the corporation;

6. location of corporation headquarters;

7. approval of commerce and industry;

8. the corporate resolution authorizing the project and the application for issuance of industrial development board bonds;

9. police jury approval (if necessary);

10. the legal authority under which the industrial development board bonds are issued.

D. Port Commission and Port, Harbor and Terminal District Revenue Bonds (R.S. 34:340.1-340.6 and R.S. 39:991.2). Port commissions and port, harbor and terminal districts may issue revenue bonds and the funds are derived for the purpose of constructing, acquiring or improving port facilities, including those capital improvements described by law as being projects authorized to be undertaken by the governing board of any such commission under its general jurisdiction and powers. The bonds shall be payable solely from the income and revenue derived from the sale, lease, or other disposition of the project or facility so financed including all or part of the dockage or other fees received as a result of such project or facility. The project may additionally be secured by a mortgage covering all or part of the project or facility. Tide to the sites, projects, and/or facilities and appurtenances thereto acquired and purchased through the issuance of the revenue bonds shall vest solely in the particular commission or district. Said revenue bonds may be issued for up to 40 years at an interest rate not exceeding 9 percent per annum. The bonds are incontestable after 30 days (R.S. 39:1000). The following information is required:

1. the lease and/or sale agreement setting forth the lessor (vendor), lessee (vendee), sub-lessee (if any), guarantor, amount of issue, rate, type of project, location of project, description of the work to be done and who is in charge of construction of the project (lessee, lessor, other, etc.), ownership of the project during the term of the lease, ownership of the project after the term of the lease, and consideration for ownership changes;

2. guaranty agreement (if any);

3. trust indenture (if any);

4. income statements and balance sheets for the previous five years showing gross sales, net earnings, net earnings per share, and gross revenues;

5. products and services of the corporation;

6. location of corporation headquarters;

7. approval of commerce and industry;

8. the corporate resolution authorizing the project and the application for issuance of bonds;

9. legal authority under which bonds are issued; and

10. police jury approval (if applicable).

E. Public Trusts (R.S. 9:2341-2347)

1. Parishes, municipalities, or political or governmental subdivisions thereof may create express trusts to provide funds for the furtherance and accomplishment of any authorized public function or purpose. Authorized public functions or purposes include, but are not limited to:

a. hospital, medical, health, nursery care, nursing care, clinical, ambulance, laboratory and related services, activities, facilities, and properties;

b. penitentiary, rehabilitation, incarceration, and other correctional services and facilities;

c. educational services and facilities and related housing and dormitory services and facilities;

d. providing, developing, securing and improving water storage, treatment, supply and distribution services and facilities;

e. sanitary and storm sewer and other liquid and solid waste collection, disposal, treatment and drainage services and facilities;

f. educational or commercial communication equipment and facilities;

g. mass transit, commuting and transportation, parking services, equipment and facilities;

h. cultural and civic facilities, services and activities;

i. community development and redevelopment facilities and activities;

j. gas, electric, petroleum, coal and other energy collection, recovery, generation, storage, transportation and distribution facilities and activities;

k. industrial, manufacturing, and other economic development facilities and activities;

l. antipollution and air, water, ground, and subsurface pollution abatement and control facilities and activities;

m. airport and water port related facilities, services, and activities; and

n. facilities, property, and equipment of any nature for use or occupancy of the state or the United States, or any agencies or instrumentalities thereof or any governmental units in the state.

2. Express public trusts are public corporations and shall have all powers of public corporations, including the power to incur debt and contract obligations; to do and perform all acts in their corporate capacity and in their corporate names which are necessary and proper, and to perform any and all acts and duties necessary to carry out the objects and purposes of their creation. Such trusts are subject to the Public Contract Law, Public Records Law, Public Meetings Law, Code of Ethics, and other general laws governing the conduct of public corporations and governmental units in the state of Louisiana.

3. Express public trusts may incur debt and issue revenue bonds. Revenue bonds are limited to 40 years duration and 9 percent per annum interest rate. Any obligations issued by a public trust shall not constitute or create any debt or debts, liability or liabilities or a loan of the credit of or a pledge of the faith and credit of the beneficiary of the state or any political or governmental unit thereof but shall be solely the obligation of the public trust.

4. If bonds or other debt obligations are issued for the purpose of providing, constructing, expanding, or altering public facilities, then said bonds and other debt obligations shall be approved by a vote of a majority of the qualified electors of the beneficiary who vote in a special election held for that purpose in the manner provided by R.S. 39:501-519. In all other cases all bonds and other debt obligations shall be issued only after the trust has adopted an appropriate resolution giving notice of intention to issue such bonds or other debt obligations, and notice of intention has been published once a week for four weeks, the first being at least 30 days before a public meeting of the trust at which the trust will meet in open and public session to hear any objections to the proposed issuance of such bonds or other debt obligations. If at such hearing a petition duly signed by not less than 5 percent of the electors of the beneficiary object to the issuance of the bonds or other debt obligations, then such bonds or other debt obligations shall not be issued until approved by a vote in a special election held for the purpose in the manner provided by R.S. 39:501-519.

5. A 30-day incontestability clause is provided in R.S. 9:2347. Bonds or other obligations issued by the trust shall recite that they are issued under authority of R.S. 9:2341-2347. Said bonds will be sold by the Bond Commission. Public trusts may be created either by will or by written instruments subscribed to by the settlor or settlors by authentic act or by act under private signature executed in the presence of two witnesses and duly acknowledged and shall be recorded in each parish wherein is situated any real estate, or any interest therein, belonging to said trust, as well as the parish wherein is located the trust property or wherein are conducted its principal operations. The following rules of the Bond Commission (the "commission") apply.

a. No public trust authority will begin planning a project without first notifying the secretary of the commission of the details of such plans.

b. The secretary will either report the undertaking to the commission or arrange for the principals involved to appear before the commission for a preliminary presentation.

c. The secretary of the commission will be advised of all meetings as plans progress and will be furnished copies of all written documents in order that the staff of the commission may participate in and/or be kept abreast of all developments.

d. At such time as the secretary determines that the project will be undertaken and prior to any commitments by any of the parties involved, a preliminary presentation will be scheduled for commission consideration. This presentation will consist of a complete report of progress to date and future plans. The commission will either preliminarily authorize or disapprove proceedings with the project.

e. All third party contracts will be subject to the approval of the secretary of the commission and all contracts which directly relate to a determination which must be made by the commission will be subject to the approval of the commission.

f. Applications to the commission to sell bonds on behalf of a public trust authority will be made by certified resolution duly adopted by the issuing authority and will be accompanied by such documents as are necessary to justify the need and feasibility of the undertaking.

g. The following acts, documents, and contracts shall either be approved by the commission prior to consummation, or entered into subject to the approval or ratification of the commission (unless the authority for such approval or ratification is vested in the chairman or secretary of the commission):

i. appointment of bond counsel;

ii. appointment of special legal counsel;

iii. appointment of financial advisors;

iv. appointment of underwriters;

v. appointment of trustee banks and paying agents banks;

vi. employment of firms to undertake feasibility studies;

vii. appointment of all other consultants not referred to in Clauses i. through ii. above—official statement, notice of sale, authorizing bond resolution, bond indenture, agreement to purchase bond, and all other contracts that relate to the sale or security of the bonds, the disposition of bond proceeds, or the operation of the project or undertaking.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 2:348 (November 1976), amended LR 4:402 (October 1978).

§129. Other Local Governmental Units

A. General. Subject to and not inconsistent with the Constitution of 1974, the Legislature by general law or by local or special law may create or authorize the creation of special districts, boards, agencies, commissions, and authorities of every type, define their powers, and grant to the special districts, boards, agencies, commissions, and authorities so created such rights, powers, and authorities as it deems proper, including but not limited to, the power of taxation and the power to incur debt and issue bonds (Constitution of 1974, Article VI, Section 19). Special districts, boards, agencies, commissions, and authorities which were created by the Legislature under prior constitutions as well as Article VI, Section 19 of the 1974 Constitution are governed by specific statutory authority. These statutory limitations govern concerning the incurring of debt and issuing of bonds. When an application is received from a special district, board, agency, or commission. The applicant must point out the specific statutory authority which allows or authorizes the issuing of bonds, levying of a tax, or incurring debt.

B. If a special district, board, agency, commission, or authority is not legislatively created but rather created by a parish or municipality, then the incurring of debt or issuing of bonds may be required to gain approval from the governing authority which created said special district, board, agency, commission, or authority. Article VI, Section 15 states that the governing authority of a local governmental subdivision shall have general power over any agency heretofore or hereafter created by it, including, without limitation, the power to abolish the agency and require prior approval of any charge or tax levied or bond issued by the agency.

C. The requirements for approval of an application from either a legislatively created or municipal or parish created special district, board, agency, commission, or authority are generally the same as is required of the parishes and municipalities as has been set out previously herein, unless there exists specific statutory authority to the contrary.

D. The following are the general statutory authorities for certain special districts, boards, agencies, commissions, or authorities:

1. airport districts (R.S. 2:311-331): general authority (R.S. 2:326); incurring debt and issuing bonds (R.S. 2:327-328); authority to levy special tax (R.S. 2:329); creation, notice of intention (R.S. 2:313);

2. bridge and ferry authorities (R.S. 48:1091): creation (R.S. 48:1092); general powers and purposes (R.S. 48:1093); issuance of bonds (R.S. 48:1094);

3. drainage districts:

a. drainage and sub-drainage districts: general (R.S. 38:1481-1577, Chapter 5, Part 1, Title 38 of Revised Statutes); borrowing money and pledging revenues (R.S. 38:1521); special taxes (Article VI, Section 32 of 1974 Constitution); general obligation bonds (Article VI, Section 33 of 1974 Constitution); revenue bonds (Article VI, Section 37 of 1974 Constitution);

b. consolidated gravity drainage districts (R.S. 38:1841-1869; See R.S. 33:7701-08);

c. gravity drainage districts and gravity sub-drainage districts (R.S. 38:1751-1802);

d. excess revenue loans (R.S. 33:2922; 10 years);

4. fire protection districts (R.S. 40:1491): creation (R.S. 40:1492); notice of creation (R.S. 40:1493); general powers and duties (R.S. 40:1499-1500); maintenance tax, submission to vote, additional tax (R.S. 40:1501);

5. hospital service districts: general (R.S. 46:1051; creation); loans (budgetary) (Dresser v. Recreation and Parks Commission of East Baton Rouge Parish); excess revenue loans (R.S. 33:2922; 10 years); special taxes, Article VI, Section 32 of 1974 Constitution; general obligation bonds (Article VI, Section 33 of 1974 Constitution); revenue bonds (Article VI, Section 37 of 1974 Constitution; R.S. 39:559.1), without election (Act 506 of 1976); districts comprising all or portions of two or more parishes (R.S. 46:1067);

6. law enforcement districts (R.S. 33:9001-9008): creation (R.S. 33:9001); power to tax (R.S. 33:9001) mandatory rollback of ad valorem taxes by tax recipient bodies of the parish (R.S. 33:9005); authority to borrow (Act 689 of 1976);

7. levee districts (Article VI, Section 38 of the Constitution of 1974 and R.S. 38:281-1477):

a. creation, division, consolidation, reorganization (Article VI, Section 38 of 1974 Constitution);

b. taxes (district tax) for the purpose of constructing and maintaining levees, levee drainage, flood protection, hurricane flood protection, and for other incidental purposes, the governing authority may levy a tax of not more than five mills on the dollar of the assessed valuation of all taxable property situated within the alluvial portions of the district subject to overflow. (Orleans Levee District excepted; may levee tax of not more than two and one half mills.) Article VI, Section 39. To increase this tax, must have election. Article VI, Section 39(B);

c. funding taxes or other revenues into bonds or other evidences of indebtedness (Article VI, Section 40 of 1974 Constitution);

8. prison districts (R.S. 15:801-810): creation (R.S. 15:801); organization and powers (R.S. 15:803);

9. recreation districts (R.S. 33:4571-4573): budget loans (R.S. 33:4573-74); taxes (Article VI, Section 32 of 1974 Constitution); bond issues [Article VI, Section 33; G.O., and Section 37 (revenue), of the 1974 Constitution], and R.S. 33:4573; excess revenue loans (R.S. 33:2922);

10. sewerage districts (R.S. 33:3881-4092): creation, districts outside municipalities (R.S. 33:3881); creation, municipalities (R.S. 33:3911); creation, municipalities under 1,000 (R.S. 33:3951);

11. waterworks districts (R.S. 33:3811-3836): creation (R.S. 33:3811); powers of waterworks district (R.S. 33:3815); authority to issue bonds and levy taxes (R.S. 33:3822); local or special assessment (R.S. 33:3829).

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 2:348 (November 1976), amended LR 4:404 (October 1978).

§131. General Information

A. Article VII, Section 8—Bond Commission

B. Louisiana Revised Statutes, Title 39, Sections 1361-1427, General Laws on State Debt

C. Louisiana Revised Statutes, Title 39, Section 871, State Control of Local Indebtedness

D. Article VI, Section 22—Procedure for Certain Special Elections (Including Elections Not Related to Financing)

E. Louisiana Revised Statutes, Title 47, Section 1806, Penalties for Violation, Section 264 (Fees of Attorneys Must Be Approved by the Attorney General's Office)

F. Louisiana Revised Statutes, Title 47, Section 1803, Bankruptcy—Notice to Bond Commission

G. Louisiana Revised Statutes, Title 47, Section 1805 (Act 400, 1978 Regular Session)—Delinquent Payments or Fund Transfers on Outstanding Indebtedness; Notification to Bond Commission

H. Louisiana Revised Statutes, Title 39, Section 1401.31 (Act 578, 1978 Regular Session)—Agreements Providing for Outlay of Funds for Capital Improvements or Expenditure; Bond Commission Approval Required; Penalties

I. Louisiana Revised Statutes, Title 39, Sections 1441-1443 (Act 381, 1978 Regular Session)—Defeasance of Securities of Public Entities

J. Louisiana Revised Statutes, Title 47, Sections 1705 and 1987, (Act 1, 1978 Regular Session)—Closing Date for Assessment Rolls

K. Louisiana Revised Statutes, Title 18, Section 402(F)—Bond, Tax, or Other Elections

L. Article VI, Section 15—Local Governmental Subdivisions; Control over Agencies

M. Article VI, Section 16—Special Districts and Local Public Agencies:

1. Consolidation; and

2. Assumption of Debt

N. Article VI, Section 19—Special Districts

O. Article VII, Section 1—Power to Tax; Public Purpose

P. Article VII, Section 26—Revenue Sharing Fund, (E) Bonded Debt-Pledge as Security, Revenue Sharing

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 4:405 (October 1978).

§133. Footnotes

[1]The resolution of the governing body must be certified by the appropriate official or officials as having been adopted, and must apply for authority to hold a special election. Either the resolution or certificate should show or state that a quorum of the governing body was present.

[2]The levy of a sales or use tax, when combined with the rate of all other sales and use taxes, exclusive of state sales and use taxes, levied and collected within any local governmental subdivision, shall not exceed 3 percent.

[3]The resolution of the governing body must be certified by the appropriate official or officials as having been adopted. Either the resolution or certificate should show or state that a quorum of the governing body was present.

[4]The computation for determining the assessed valuation for the purposes of issuing ad valorem bonds includes both homestead exempt property and nonexempt property.

[5]It is the policy of the Bond Commission that the interest rate be established and submitted with application for budgetary or excess revenue loans and for loans secured by the pledge of the avails of a special tax. Where such interest rate is above 6 percent, the applicant must apply for the loan at not less than two lending institutions and must have received replies from such institutions stating either the interest rate at which such institutions will grant the loan or that such institutions will not grant the loan. Such replies must be submitted with the application to the Bond Commission.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 4:405 (October 1978).

Chapter 3. Non-Traditional Tax-Exempt Projects

§301. General

A. The following rules and regulations concerning the taxBexempt financing of nontraditional use projects are made complementary to other rules and regulations contained herein which may be applicable to a particular financing.

1. The Bond Commission shall require that each issuer of nontraditional purpose bonds establish criteria to be met by the beneficiaries of the financing as a condition precedent to its undertaking of the financing of a project and file such criteria with the Bond Commission.

2. Nontraditional purpose bonds are bonds issued to finance facilities or enterprises not under the control, operation, management, and administration of traditional governmental subdivisions or authorities and not used in providing essential or necessary governmental services. Traditional governmental subdivisions or authorities for the purpose of this report shall mean the state, parish, municipality, or other political subdivision of the state.

3. The following information concerning a project should be furnished to the Bond Commission in connection with its approval of nontraditional purpose bonds:

a. a detailed description and scope of project, including nature of business and qualifications of applicant to undertake the project;

b. budget, including any pertinent information regarding acquisition costs and new construction costs;

c. estimated time schedule;

d. estimated number of construction jobs and permanent jobs, with estimated permanent annual payroll;

e. relationship of project to other businesses owned and/or operated by same entity which may be a guarantor of the obligation;

f. certificate of the applicant that there are no detriments of the project to the health, safety, or environmental considerations of the community;

g. independent professional certification as to the feasibility and total cost of the project, if required by the commission;

h. certification by the applicant that the total amount of financing will be used to pay for the specific project being financed;

i. authorization of the project by appropriate parties and/or company officials;

j. all other contracts that relate to the sale or security of the bonds, the disposition of bond proceeds, or the operation of the project or undertaking as may be required by the commission.

4. The commission shall only consider the application for the sale of bonds of a project, the nature and type of which is enumerated in the law, and for which the applicant has clearly established the legal authority for the issuance of tax-exempt bonds. If such authority is not clear, but the applicant wishes to proceed then the commission shall request an Attorney General's opinion for use by the commission.

5. The commission shall not approve any bonds issued for the sole purpose of refinancing existing debt of any for-profit corporation or private company, other than for hospitals, at a lower rate of interest unless the outstanding existing debt bears tax-exempt interest.

6. The commission shall not approve the issuance of bonds for nontraditional purposes unless the bonds are rated at least investment grade (BBB/Baa) by either Standard and Poor's Corporation or Moody's Investors Service, or will be privately sold to financial institutions or specific authority is granted for a public offering after a hearing by the Bond Commission.

7. The commission shall schedule for its consideration a preliminary presentation for all nontraditional use projects. This presentation will consist of a complete report of progress to date and future plans. The commission will either preliminarily authorize or disapprove proceeding with the project. Industrial projects of publicly-held companies and all industrial projects financed by parishes, cities, industrial districts, or port commissions pursuant to R.S. 39:991 et seq. and all pollution control projects are specifically excepted from the preceding requirement.

8. Publicly-held companies must furnish five years' audits and profit and loss statements, if possible, or satisfactory financial statements. In addition, such companies must furnish either a letter from an investment banker or financial institution indicating that the proposed bonds are marketable or a commitment from an investment banker or financial institution to purchase or to underwrite the bonds and a copy of the latest annual report.

9. Entities other than publicly-held companies must furnish five years' audits and profit and loss statements, if possible, or make available for review and study without becoming a part of the public record satisfactory financial statements, where applicable, and a preliminary letter of intent from an investment banker or a financial institution that the bonds can be placed or sold. In addition, the commission may require an investment letter (wherein the bond purchaser agrees that the bonds are being purchased and intends to keep the bonds for his own account and intends that the bonds will not be sold to the general public at the time of issuance) where public sale of the bonds is deemed inappropriate, or if a start-up company cannot obtain an investment grade rating.

10. The commission shall not approve an application for the issuance of nontraditional bonds if a resolution or ordinance of the governing body of a municipality (where the project is within the municipality or parish; where the project does not lie within a municipality) is received objecting to the issuance of said bonds, until a public hearing of the commission is held, after due notice is made to the governing authority.

11. The local governing authority shall be notified timely of the agenda of the commission that will reflect the pending application of a project in that municipality or parish.

12. Any applicant seeking the commission's approval of a non-traditional application previously rejected by the commission at a regular or special meeting shall only be docketed for reconsideration after meeting anew all applicable state laws, rules, regulations, policies, and procedures of the commission.

13. All prospective issuers of non-traditional purpose bonds (as previously defined herein) must provide at least five days' notice prior to their initial consideration of application for non-traditional purpose bonds to state legislators representing the geographical area in which the project is contemplated to be located. Thereafter, at least 24 hours notice of subsequent consideration(s) of non-traditional purpose bonds must be provided to the legislators. The notice(s) will include the following information:

a. name of issuer;

b. financing beneficiary:

i. proprietorship, partnership, publicly held corporation, closely held corporation, non-profit corporation, other (explain);

ii. state of organization;

iii. principals and addresses of beneficiary;

c. estimated amount of issue;

d. guarantor;

e. bond counsel;

f. legal authority to issue bonds;

g. location of project: street, city, parish: in lieu of tax payment;

h. description of project;

i. if historical building, age of building;

j. employment impact information:

i. temporary construction jobs;

ii. new permanent jobs/annual payroll;

iii. present jobs retained or transferred/annual payroll;

iv. total jobs/annual payroll of 10(a) and 10(b);

k. date, time, location, and any other pertinent information related to the meeting(s) at which the project will be considered.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 5:365 (November 1979), amended LR 9:254 (April 1983), LR 10:409 (May 1984), LR 10:948 (November 1984), LR 12:538 (August 1986), LR 15:630 (August 1989), LR 27:1706 (October 2001).

§303. Public Notice Requirements

A. In addition to the existing notice requirements contained in the guidelines of the commission adopted July 28, 1981 (the "guidelines") as amended on April 13, 1982 and other applicable laws, the notice of public hearing to issue non-traditional bonds which do not satisfy the guidelines but which are proposed to be issued under the amended guidelines established at the April 13, 1982 meeting of the commission shall conform to the following minimum requirements.

1. The notice of public hearings shall be published in a newspaper of general circulation in the area in which the project to be funded is located, and in the official journal of the industrial development board or public trust authority.

2. The newspaper notice referred to in Paragraph 1 above shall be set off by a solid black line border, shall be at least 2 columns in width by 2 1/2 column inches in length, or of physical dimensions not less than 4 by 3 inches, whichever is greater.

3. The newspaper notice shall be captioned with a tide set forth in bold print which substantially sets forth the following: "NOTICE OF PUBLIC HEARING REGARDING ISSUANCE OF NON-TRADITIONAL REVENUE BONDS."

4. The newspaper notice, in addition to setting forth the subject date, and place of such public hearing, shall include a brief description of the nature of the project and set forth its proposed location in reasonable detail.

B. A written public notice conforming to the requirements set forth above for the newspaper notice shall be posted at the principal office of the industrial development board holding the meeting, or if no such office exists, at the building in which the meeting is to be held.

C. In the event that a housing project is to be the subject of action at a public meeting, notice must be posted at the proposed site for such housing project. Such posting shall be of sufficient size and be located in a position or positions prominent enough to allow ease of reading.

D. All industrial development boards or public trust authorities shall provide five days notice to state legislators from the prominent localities of all projects submitted by initial approval and 24-hour notice of subsequent approval of project(s).

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 8:600 (November 1982).

Chapter 5. Housing

§501. Second Issues of Mortgage Revenue Bonds

Disbursement of Funds to Mortgage Lenders—commitments should be made to mortgage lenders and mortgage lenders should make commitments only to individuals who qualify as purchasers and who have entered into bona fide purchase agreements, except that commitments may be made to builders, not exceeding 40 percent of the total loanable funds of the program.

Expropriation—except as may be found to be in conflict with the provisions of any applicable trust indenture of any authority issuing mortgage revenue bonds, any mortgagor having financed a home under a mortgage revenue bond program whose home is expropriated may, at his option, be transferred to a replacement residence at the same interest rate and maturity as his existing mortgage under the mortgage revenue bond program.

Loan Rates—a process blending the authority funds with the lending institution's conventional funds should be implemented which would provide higher mortgage interest rates to higher income mortgagors, subject to the limitations as set forth in Rules Number 2 and 3.

Maximum Income of Mortgagors—the maximum adjusted gross family income for mortgagors in the programs should not exceed $40,000.

Maximum Mortgage Amount and Maximum Purchase Price—the maximum mortgage amount should not exceed $75,000 and the maximum purchase price should not exceed $95,000. Where a duplex, triplex, or four-plex is concerned the maximum mortgage amount shall not exceed $150,000.

Participation by Lending Institutions—there should be participation in the program by existing lenders who are qualified and doing business in Louisiana. The allocation of program amounts to these lenders should be basically in proportion to the business they do in the area in which the loans are to be made.

Public Purpose—the public purposes for which mortgage revenue bonds should be offered are to provide increased home ownership opportunities for low and moderate income persons and for revitalization of declining areas. It is further the intent that individual mortgagors benefiting from mortgage revenue bond programs shall intend to permanently reside in the home financed in order to encourage family residences.

Refinancing of Loans—no loans should be made for refinancing, except:

1. with respect to substantial rehabilitation meeting objective criteria established by the issuing authority;

2. if, after a final divorce judgment is rendered, a person wishes to buy the interest of an ex-spouse under the terms of a community property settlement, or other binding division of assets; or

3. succession assets are being liquidated after a final judgment of possession is rendered.

Special Consideration for Larger Families—larger families should be encouraged to participate in the program by permitting such families to make mortgage loans irrespective of their income category, provided the maximum permissible income level for that program is not exceeded.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 7:518 (August 1980).

§503. Vacancy Guidelines

A. New multifamily housing applications whereby the vacancy rate in the area of the new construction equals or exceeds 20 percent, according to an acceptable vacancy study, will not be docketed for consideration. In parishes, or sections of parishes, for which no study has been completed, the developer will be required to arrange for a study indicating vacancy rates and such study will have to be acceptable to the issuer and the commission.

B. Inducements for new construction in areas that have more than 15 percent and less than 20 percent vacancy rates would be prohibited unless a specific feasibility study and vacancy rate study by the developer justifies such a development. Both studies would have to be completed no more than 90 days prior to inducement.

C. At the time of preliminary consideration by the Bond Commission acceptable vacancy rate studies as mentioned herein must be current up to 180 days.

D. New construction for special purpose needs (mainly elderly and handicapped housing) are exempt from these vacancy guidelines.

E. All new construction multifamily housing developments induced by an issuer prior to July 23, 1985, are exempt from these vacancy guidelines.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 11:981 (October 1985).

§505. Rule Number HS1-1993—Definitions of Income Class

A. Whereas, the Bond Commission finds a need to adopt uniform definitions of the various income classes designated in applications relative to housing issues in the state of Louisiana.

B. Therefore, the Bond Commission hereby adopts the following definitions which shall be applicable to all rules governing the issuance of housing bonds in the state of Louisiana.

1. *Very Low Income*—households whose incomes do not exceed 50 percent of the median income for the area, as determined and adjusted from time to time by HUD.

2. *Low Income*—households whose incomes do not exceed 80 percent of the median income for the area, as determined and adjusted from time to time by HUD.

3. *Moderate Income*—households whose incomes are between 81 percent and 95 percent of the median income for the area, as determined and adjusted from time to time by HUD.

4. *Middle Income*—households whose income are between 96 percent and 120 percent of the median income for the area, as determined and adjusted from time to time by HUD.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 19:1178 (September 1993).

§507. Rule Number HS2-1993—Bond Commission Multifamily Housing Applicants

A. The Bond Commission (the "commission") has found it necessary to address the concerns of very low, low, and/or moderate income families in multifamily housing units financed with tax exempt and/or taxable municipal bonds subject to the approval of the commission.

B. The commission hereby adopts the following rule which shall apply to all such applications submitted to the commission for new construction, acquisition and/or rehabilitation, or refunding of multifamily housing units.

C. Multifamily housing applications must include defined tenant benefit programs for those units set-aside for very low, low, and/or moderate income families. Those applications that do not include evidence of such programs will not be docketed for consideration.

D. The staff of the Bond Commission shall use the following criteria when evaluating defined tenant benefit programs.

1. Nonspecial Needs Multifamily Housing. A developer shall select at a minimum two of the seven options listed below for the set-aside units.

a. Material Rent Differentials. In order to be deemed material, a rent differential must satisfy the federal tax credit guidelines which specify that rent for set-aside units should not exceed 30 percent of the imputed income limit for the set-aside unit.

b. Deposit Waivers and/or Application Fee Waivers. Deposit or application fee waivers may be applied to either an application fee, a security deposit, or both.

c. Rent Cap. Rent caps may be applied which limit the dollar and/or percentage of increase in rent upon renewal of a lease. Such rent caps must be equal to or less than one-half the scheduled rent increase for such lease renewal.

d. Rent Deferral. Rent deferral programs would apply to those tenants which become unemployed during the term of their lease. Rent deferral programs can reschedule rent payments at reduced amounts or have a 100 percent deferral either until six months after the resident is no longer receiving unemployment compensation. This program may be funded with a reserve set aside for this specific purpose and clearly delineated in the bond documents.

e. Educational Programs or Other Socialization Programs. These programs may include literacy or tutorial programs, re-education assistance for the unemployed, or other such assistance which would increase opportunities for the targeted income class.

f. Daycare Related Programs. These programs may either be located on site or subsidized off site daycare centers. Programs may include after school care and/or supervision for the children of working parents.

g. Other such benefit programs as may be proposed by the developer, such as:

i. tenant security programs;

ii. energy conservation programs.

2. Special Needs Multifamily Housing. The commission recognizes the development of special needs housing for the elderly, disabled, homeless, etc., is essential to the welfare of the citizens of the state. Therefore, the criteria for the defined tenant benefit program shall be based on the total package to be offered to the special needs group, including, but not limited to the following:

a. Meals Programs. Depending upon the special needs group targeted, this benefit can include one or more meals provided in a central dining area or some other meal program included as part of the total benefit package;

b. Transportation Assistance;

c. On-Site Health Services;

d. House Keeping Services;

e. Social Activities;

f. Trained and Certified Staff;

g. Rent Differentials.

3. Multifamily Housing in Qualified Redevelopment Areas. The commission recognizes the importance of encouraging the redevelopment and/or revitalization of urban and inner city areas. Therefore, additional consideration will be given to the following.

a. A Qualified Redevelopment Area. A qualified redevelopment area shall be defined by the governing authority of the local jurisdiction and as approved by the Bond Commission.

b. Project Plan. The project plan must include whether it is new construction or a redevelopment of an existing property. The plan must also include a defined tenant benefit package if the project targets a special income class. If the project requires the relocation of current residents, the plan must show how the relocation will be addressed.

E. In all instances, the final decision as to the acceptance of the defined tenant benefit package shall rest with the commission. Inclusion of a defined tenant benefit package does not guarantee approval. Other factors will be considered including:

1. the total financial package;

2. other means of financing including historical and housing tax credits;

3. the nature (for profit or nonprofit), experience and track record of the developer; and

4. the experience and track record of the proposed property manager.

F. A complete application must be filed with the Bond Commission no later than 20 working days prior to the meeting date at which the application is to be considered in accordance with the rules of the commission.

G. The schedule of income levels as published periodically by HUD will be used for purposes of this rule to determine income levels for particular areas of the state.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 19:1178 (September 1993), amended LR 21:403 (April 1995).

Chapter 7. Costs of Issuance and Reporting Requirements

§701. Procedure

A. No later than 45 days after the closing and delivery of bonds by any non-traditional issuer, including but not limited to the Louisiana Public Facilities Authority, other public trusts, the Louisiana Local Government Environmental Facilities and Community Development Authority, other political subdivisions having statewide jurisdiction, state agencies, and industrial development boards (collectively, the "Issuer"), the Issuer or its representative shall submit to the State Bond Commission a final report with respect to such issue. This 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 ("costs of issuance"), paid from bond proceeds and/or other sources.

B. 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 and;

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

a. the total actual costs of issuance exceed the total approved costs of issuance; or

b. the actual costs of issuance in any line item exceed the approved costs of issuance by a variance of 10 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.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.
HISTORICAL NOTE: Promulgated by the Department of the Treasury, State Bond Commission, LR 18:1418 (December 1992), amended LR 30:1491 (July 2004).

Chapter 9. Expedited Review of Certain Leases

§901. Leases

A. The provisions of this rule on expedited review of certain leases shall be applicable to all leases that meet the criteria set forth in §903 and shall include financed leases as well as conventional leases that do not contain a nonappropriation clause or that do contain an antisubstitution clause. The provisions of this rule are not intended and shall not in any way be interpreted as exempting from Bond Commission approval any form of lease that has traditionally been deemed to constitute debt.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.
HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 19:659 (May 1993).

§903. Criteria

A. In order for a proposal lease agreement to be eligible for the expedited review process, all of the following criteria must be met and that fact must be certified in writing by an authorized agent of the government entity seeking approval under the expedited review process.

1. The leased equipment must be specially identified in the proposed lease agreement and the lease must be used to acquire movable property necessary to provide essential governmental services such as those related to safety, sanitation, road and highway construction and repair, health services, communication, education, and transportation.

2. If the lease agreement transfers ownership of the leased property to the lessee at the end of the lease term or contains an option to purchase the leased property at a nominal price, the lease agreement must have been entered into in compliance with the public bid law.

3. The governmental entity must have excess or sufficient revenues to cover annual debt service on the lease pursuant to the provisions of R.S. 33:2922.

4. The total amount of the lease cannot exceed the greater of $100,000 or 10 percent of the government entity's annual revenues.

5. There must have been no default on any debt obligation within the previous five years.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.
HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 19:659 (May 1993).

§905. Documentation

A. The governmental entity shall submit the following documents with the proposed lease and the request for approval under this rule:

1. the resolution of the governmental entity authorizing the lease;

2. a copy of the lease agreement;

3. a copy of the governmental entity's current year budget, showing excess revenues pursuant to R.S. 33:2922;

4. a complete summary of the lease on forms approved by the commission;

5. a certification from the governmental entity in the form approved by the commission, attesting to compliance with all of the requirements of this rule.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.
HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 19:659 (May 1993).

§907. Procedure

A. On an as needed basis the staff of the Bond Commission shall mail to the commission members a notice of all leases submitted to the commission staff that meet the criteria for approval under this rule, and that are scheduled for approval by the executive director, along with a copy of the summary of lease form for each lease. Each lease so submitted shall be approved by the executive director of the Bond Commission 10 days following the mailing of the notice unless a member of the commission, prior to approval of a lease by the executive director, requests that the lease be placed on the agenda at the next Bond Commission meeting.

B. If any member of the commission requests that a lease submitted to the staff under the provisions of this rule be placed on the agenda, such lease shall be placed on the agenda for consideration at the next commission meeting in accordance with the commission's rules and regulations.

C. Certification of Compliance with Criteria for Approval of Lease under Expedited Procedure

CERTIFICATION OF COMPLIANCE WITH CRITERIA FOR APPROVAL OF LEASE UNDER EXPEDITED PROCEDURE

Name of Lessee _____

Name of Lessor _____

Equipment to be Leased _____

Term of Lease _____

Amount of Lease _____

Interest Rate _____

BEFORE ME, the undersigned authority, personally came and appeared _____ who declared that he is the _____ for the Lessee, and does hereby certify that:

The proposed lease agreement is being entered into for the purpose of acquiring movable property necessary to provide essential governmental services, more specifically the following:

_____

_____

If the lease agreement transfers ownership of the leased property to the Lessee at the end of the lease term or contains an option to purchase the leased property at a nominal price, it has been let in accordance with the public bid laws.

The Lessee has excess or sufficient revenues to cover annual debt service on the lease pursuant to the provisions of R.S. 33:2922.

The total amount of the lease does not exceed the greater of $100,000 or 10 percent of the Lessee's annual revenues.

The Lessee has not been in default on any debt obligation within the previous five years.

The following documents are attached:

1. The Resolution of the Lessee authorizing the lease.
2. A copy of the lease agreement.
3. A copy of the Lessee's current year budget.

_____

Lessee's Agent or Authorized Officer

Sworn to and subscribed before me, this _____ day of _____, _____, at _____, Louisiana.

_____

Notary Public

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 19:659 (May 1993).

Chapter 11. Expedited Review of Financings of Movables

§1101. Purpose

A. The provisions of this rule on expedited review of financing purchases of movables shall be applicable to such purchases that meet the criteria set forth in LAC 71:III.1103.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1410.60(B).

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 24:1960 (October 1998).

§1103. Criteria

A. In order for the proposed financing to be eligible for the expedited review process, all of the following criteria must be met and certified in writing by an authorized agent of the governmental entity seeking approval under the expedited review process.

1. The movables must be specifically identified in the resolution and the funds must be used to acquire movable property necessary to provide essential governmental services such as those related to safety, sanitation, road and highway construction and repair, health services, communication, education, and transportation.

2. The governmental entity must have excess or sufficient revenues to cover annual debt service according to the provisions of R.S. 33:2921.

3. The total amount of the indebtedness cannot exceed the greater of $100,000 or 10 percent of the governmental entity's annual revenues.

4. There must have been no default on any debt obligation within the previous five years.

5. The provisions of the public bid law, to the extent applicable, have been complied with.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1410.60(B).

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 24:1961 (October 1998).

§1105. Documentation

A. The governmental entity shall submit the following documents for approval under this rule:

1. the resolution of the governmental entity authorizing the indebtedness;

2. a copy of the governmental entity's current budget, showing budgeted excess revenues pursuant to R.S. 33:2921;

3. a certification from the governmental entity in the form approved by the commission, attesting to compliance with all the requirements of this rule.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1410.60(B).

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 24:1961 (October 1998).

§1107. Procedures

A. On an as needed basis the staff of State Bond Commission shall mail to the commission members a notice of all such requests submitted to the commission staff that meet the criteria for approval under the rule, and that are scheduled for approval by the executive director. Each borrowing so submitted shall be approved by the executive director of the State Bond Commission 10 days following the mailing of the notice unless a member of the commission, prior to approval by the executive director, requests that the financing be placed on the agenda at the next Bond Commission meeting.

B. If any member of the commission requests that a financing submitted to the staff under the provisions of this rule be placed on the agenda, such financing shall be placed on the agenda for consideration at the next commission meeting in accordance with the commission's rules and regulations.

C. Certification of Compliance with Criteria for Approval of Financing of Movables under Expedited Procedure

CERTIFICATION OF COMPLIANCE WITH CRITERIA FOR APPROVAL OF FINANCING OF MOVABLES UNDER EXPEDITED PROCEDURE

Name of Entity: _____

Equipment to be Purchased: _____

Term of Financing: _____

Amount of Financing: _____

Interest Rate: _____

Maximum Annual Debt Service:_____

BEFORE ME, the undersigned authority, personally came and appeared who declared that he/she is the _____ for the _____ and does hereby certify that:

The proposed financing is being entered into for the purpose of acquiring movable property necessary to provide essential governmental services, more specifically the following:

_____

_____

_____

The borrower has sufficient revenues to repay the loan pursuant to the provisions of R.S. 33:2921.

The total amount of financing does not exceed the greater of $100,000 or 10 percent of the borrower's annual revenues.

The provisions of the public bid law, to the extent applicable, have been complied with.

The borrower has not been in default on any debt obligation within the previous five years.

The following documents are attached:

1. the Resolution of the borrower.
2. a copy of the borrower's annual budget.

_____

Public Official

Sworn to and subscribed before me, this _____ day of ____, at _____, Louisiana.

_____

Notary Public

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1410.60(B).

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 24:1961 (October 1998).

Chapter 13. Disclosure

§1301. Disclosure of Agreements between Financial Professionals for Negotiated Transactions

A. The duties of the Bond Commission (the "commission") require that it choose financial professionals (including, without limitation, firms of underwriters, financial advisors, and bond attorneys) in connection with certain bond issues and the commission predicates such choices upon the competing firms' experience, qualifications, and performance, in order that a broad spectrum of firms including minority and women-owned and regional firms are given an opportunity to actively and fully participate in such financings.

B. The commission's duties also require that it approve applications from local governmental entities to issue bonds and such applications include information on the financial professionals involved in handling the issues.

C. In order to insure the integrity of the structure of the financing team which the commission is charged with the responsibility of choosing and/or approving for handling bond issues, the commission hereby amends the following rule regarding agreements by and between such financial professionals as to the sale of such bonds.

1. Terms and/or existence of all joint accounts and/or any other fee-splitting arrangements by and between financial professionals must be disclosed and approved by the commission.

2. For bond issues for which the commission is charged with the responsibility to choose the financial professionals, the following will apply.

a. Firms under consideration for selection by the commission must file a disclosure statement to be submitted as part of their proposal (whether such proposal is solicited or unsolicited), listing any and all agreements by and between themselves and any other financial professionals which relate to the bond issue.

b. Financial professionals must include, in any proposal submitted to the commission, the name or names of any person or firm, including attorneys, lobbyists, and public relations professionals engaged to promote the selection of the particular financial entity.

c. Joint proposals from financial professionals will be allowed only if the commission's solicitation for offers requests and/or permits joint proposals. The commission reserves the right, in its sole discretion, to decide on an issue-by-issue basis whether joint proposals will be permitted.

d. All financial professionals submitting joint proposals and/or intending to enter into joint accounts or any fee-splitting arrangements in connection with a bond issue must fully disclose and have approved by the commission any plan or arrangement to share tasks, responsibilities, and fees earned, and disclose the financing professionals with whom this sharing is proposed, and any changes thereto which may occur.

e. The Agreement Among Underwriters will govern all transactions during the underwriting period and such agreement must be disclosed and filed with the commission.

f. No later than 45 days following the bond sale, all participating underwriters must file with the commission in notarized affidavit form individual post-sale reports which include a full accounting for all bonds sold and all commissions earned, and any other compensation paid or earned in connection with such sale.

3. Failure to comply with any of the provisions of Section 1 or 2 of this rule may result in a firm's immediate dismissal, disqualification from later issues, or other penalties as may be provided by law or the rules, policies, and procedures of the commission as the commission, in its sole discretion, may deem appropriate.

4. For those bond issues which the commission must approve but for which the commission is not responsible for the choice of the financial professionals, the following will apply.

a. The details of any arrangements for compensation of all the financial professionals in the transaction (including any joint accounts or fee-splitting agreements) and the method used to calculate the fees to be earned must be provided to the commission in the written application. The commission's receipt of this information is a prerequisite for being placed on the agenda.

b. At closing, this information must be certified in notarized affidavit form by the financial professional to be correct and filed with the Bond Commission within five days thereof. This information will form a part of the public original record of the bond issue.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 20:320 (March 1994), amended LR 27:1706 (October 2001).

Chapter 15. Debt Limit

§1501. State Debt Limit

A. The Bond Commission shall annually establish the maximum dollar amount which may be expended in any year for servicing net state tax supported debt, as such terms are defined by law (the "debt limit"). This is to be a computation based on the formula used in R.S. 39:1367 (as now or hereinafter amended) and shall include an estimate of the par amount of bonds which can be issued, and shall report such debt limit to the Legislature, the governor and the Joint Legislative Committee on Capital Outlay by November 1 of each year.

B. For purposes of this rule, the following debt and types of debt are determined to be net state tax supported debt and shall be included in the debt limitation established annually by the Bond Commission (for specific issues and amounts of the inclusions listed below the commission will cross reference the Louisiana Division of Administration, Statewide Reporting).

1. General Obligation Bonds Secured by the Full Faith and Credit of the State.

a. General obligation bonds secured by the full faith and credit of the state shall include general obligation bonds issued pursuant to Article VII, Section 6 of the State Constitution, R.S. 39:1316-1366 and other constitutional and statutory authority supplemental thereto as well as bonds which were authorized or issued prior to the adoption of the State Constitution of 1974 which are currently backed by the full faith and credit of the state ("General Obligation Debt Equivalents").

b. As of the date of the adoption of this rule, this category includes the following:

i. General Obligation bonds;

ii. Highway Construction bonds;

iii. Capital Improvement bonds;

iv. Charity Hospital of Louisiana (New Orleans) bonds;

v. Higher Education bonds.

2. Debt Secured by Capital Leases of Immovable Property Payable by the State or Annual Appropriations of the State.

a. Debt secured capital leases of immovable property payable by the state or annual appropriations of the state shall include debt secured by revenues derived from lease payments by and between the state and any agency, corporation, public trust, authority, or political subdivision whether paid from the Bond Security and Redemption Fund or by direct State General Fund appropriation but not backed by the full faith and credit of the state.

b. For purposes of this rule, capital leases are as defined by generally accepted accounting principals. As of the date of the adoption of this rule, this category includes the following:

i. Office Facilities Corporation bonds;

ii. LPFA-Hotel Dieu, 1992;

iii. Louisiana Office Building Corporation bonds;

iv. Louisiana Correctional Facilities Corporation bonds.

3. Debt Secured by Statewide Tax Revenues or Statewide Special Assessments.

a. Debt secured by statewide tax revenues or statewide special assessments shall include revenue debt having a specifically identified major tax, licenses, or fee dedication.

b. As of the date of the adoption of this rule, this category includes the following:

i. Louisiana Recovery District bonds;

ii. gasoline and fuels tax revenue bonds (Transportation Trust Fund).

4. Bonds secured by self-supported revenues which in the first instance may not be sufficient to pay debt service and will then draw on the full faith and credit of the state.

a. Bonds secured by self-supported revenues which in the first instance may not be sufficient to pay debt service and will then draw on the full faith and credit of the state shall include those revenue bonds which are self-supporting but which have a lien on or guaranty of either the Bond Security and Redemption Fund or indirectly by State General Fund appropriation.

b. As of the date of the adoption of this rule, this category includes certain bonds of the following issuers:

i. Ascension St. James Bridge Authority;

ii. Lake Charles Harbor Authority;

iii. Crescent City Connection;

iv. Louisiana Agricultural Authority;

v. Colleges and Universities;

vi. Greater Baton Rouge Port;

vii. Port of New Orleans;

viii. Greater New Orleans Expressway Commission.

C. For purposes of this rule, the Bond Commission, when unable to determine the classification of a debt issue as net state tax supported debt under the provisions of R.S. 39:1367 or the rules of the commission, may request an advisory opinion of the legislative auditor of the proper classification of such debt issue based upon the criteria of the Governmental Accounting Standards Board codification of Governmental Accounting and Financial Reporting Standards. The Bond Commission may also request an opinion of the attorney general of the proper classification of such debt based upon the constitution and laws of the state of Louisiana. Both such opinions may be considered by the commission prior to any determination of the classification of such debt issue as net state tax supported debt.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 20:1021 (September 1994).

Chapter 17. Reimbursement Contracts

§1701. Prepayment of Reimbursement Contracts

A. The Omnibus Bond Authorization Act, in order to facilitate the funding of capital improvements by certain governmental units and political subdivisions of the state, has authorized the issuance of general obligation bonds contingent upon the applicable management board, governing body, or state agency entering into and executing a reimbursement contract with the Bond Commission pertaining to the reimbursement payments and reimbursement reserve account payments for such projects.

B. The execution of such reimbursement contracts does not in any way affect, restrict, or limit the pledge of the full faith and credit of the state of Louisiana to the payment of the general obligation bonds issued pursuant to the authority of such act.

C. The state of Louisiana is obligated to the general obligation bondholder regardless of the existence of any reimbursement contracts between the state and any of its governmental units or political subdivisions, and likewise the governmental unit or political subdivision is obligated to make payment to the state of the money loaned under the reimbursement contracts, regardless of the current status of any general obligation bonds.

D. In some instances the prepayment of such reimbursement contracts can result in savings and/or other benefits to such governmental units and political subdivisions, and to that end a clear and orderly process for entering into and prepaying reimbursement contracts will benefit both the state and the governmental units and political subdivisions utilizing such tax-exempt funds by insuring that funds are handled in such a manner as to maintain the tax-exempt status of any bonds issued in connection with the transaction. Therefore, the following is the policy of the Department of the Treasury, Bond Commission, to be considered relative to reimbursement contracts.

1. Any governmental entity or political subdivision borrowing money from the proceeds of a state general obligation bond issue shall, at the time the money is borrowed from the state, enter into a reimbursement contract as provided in the Omnibus Bond Authorization Act pursuant to which the bonds were issued, which reimbursement contract shall provide for the terms and conditions under which these funds shall be repaid by the governmental entity or political subdivision. At the time a reimbursement contract is executed for the underlying tax-exempt obligation, an IRS Form 8038G or Form 8038GC shall be prepared by the attorney general and shall be executed by the recipient of the bond proceeds.

2. Any governmental unit or political subdivision which has entered into a reimbursement contract shall be allowed to prepay the reimbursement contract:

a. if the prepayment would result in a minimum net present value savings in accordance with Schedule A hereto;

b. if economic and administrative benefits accrue to the governmental unit or political subdivision as a result of the prepayment as may be reasonably determined by the staff of the Bond Commission; or

c. a prepayment characterized as a current refunding shall be permitted in any case.

3. A governmental unit or political subdivision wishing to prepay a reimbursement contract shall make such request in writing to the Bond Commission. The staff shall determine the amount due for prepayment, including principal and interest due less the amount of any reimbursement reserves. No redemption premium shall be charged to prepay a reimbursement contract unless such premium is needed to pay a corresponding redemption premium to the state's bondholders within 90 days of such prepayment.

4. The staff of the Bond Commission shall then send written notification to the chief financial officer or other appropriate official for the entity requesting prepayment setting forth the amount owed for prepayment. Copies of the notice shall be forwarded to the fiscal officer of the Department of the Treasury, the attorney general, and the Division of Administration. The chief financial officer or other official to whom the notice is sent shall verify in writing that they concur with the figures submitted in the written notice.

5. If application is made to the Bond Commission for the issuance of refunding bonds, the proceeds of which are to be used for the prepayment of a reimbursement contract, a copy of the notification submitted pursuant to Subsection 4 above must be attached to the application. Upon receipt of such an application, the state debt analyst shall be immediately notified. The total amount due in order to prepay the reimbursement contract must be verified by the state debt analyst and made a part of the file. Once the amounts have been verified the usual procedure for approval of bond applications shall be followed.

6. After the recipient's refunding bonds have been sold, the applicant must contact the Bond Commission to arrange payment of the reimbursement contract. Prepayments must be accompanied by a certificate of the chief financial officer or bond counsel for the prepaying entity attesting to the correct arbitrage yield on the refunding bonds.

7. Upon delivery of the prepayment check, the state debt analyst shall fill out the parish and local government Reimbursement Contract Prepayment Receipt Log showing receipt of the money, where it is to be deposited and whether it is to be yield restricted to the rate of arbitrage yield certified to by the bond counsel for the prepaying entity (in the case of prepayments funded by a tax-exempt bond issue) or to the rate of the state bond issue (in the case of prepayments not funded with the proceeds of a tax-exempt bond issue, such as those funded from tax revenues or user fees). The proceeds received as prepayment of reimbursement contracts shall be deposited by the fiscal office, Department of the Treasury, into the state treasury in accordance with the designation shown on the form and shall be placed in the Capital Outlay Escrow Fund. Such funds shall be yield restricted as indicated above or yield reduction payments shall be made as necessary until such funds are expended in accordance with law. All interest earnings on such funds shall remain in the Capital Outlay Escrow Fund and shall be restricted to the same yield as the original prepayment deposit or yield reduction payments shall be made as necessary until all such earnings are expended along with the principal prepayment amount.

8. Upon deposit of the prepayment proceeds, the Fiscal Control Section of the Department of the Treasury shall notify the Division of Administration that funds are now available to be used in accordance with the Capital Outlay Bill for the current fiscal year. Such notification shall include a copy of the Reimbursement Prepayment Receipt Form.

9. The Division of Administration shall notify the fiscal control section of the Department of Treasury when these funds have been allocated to a particular project. Such notification shall include the name of the project and the amount allocated.

a. Appropriate Threshold of Savings

THE APPROPRIATE THRESHOLD OF SAVINGS
THAT SHOULD EXIST FOR AN
ECONOMIC ADVANCE REFUNDING

Months to Call	Minimum Present Value Savings to Refund	
0-12	Net Present Value Savings >	0 percent
13-24	Net Present Value Savings >	1.5 percent
25-48	Net Present Value Savings >	3.0 percent
>48	Net Present Value Savings >	5.0 percent

b. Prepayment of Reimbursement Contracts

CHECKLIST FOR COMPLIANCE WITH POLICY
AND PROCEDURES FOR PREPAYMENT
OF REIMBURSEMENT CONTRACTS

1. Name of entity_____
2. Identifying information on reimbursement contract
Name _____
Series _____Issue Date _____
Amount Of Original Issue _____
Principal and Interest Payment Dates: P _____ I _____
3. IRS Form 8038G or 8038GC executed? Yes___ No___
4. Net present value savings _____
5. Date request for prepayment approval received _____
6. Forwarded to State Debt Analyst II (date) _____
7. Cost of prepayment:
   a Principal $
   b. Interest $
   c. Redemption premium, if any $
   d. Less Reserves $
   e. Total amount due for prepayment $
8. Request for verification forwarded to chief financial officer_____
(Copies to Division of Administration; Attorney General; fiscal control section)
9. Verification received from chief financial officer _____
10. Prepayment received on (date) _____
11. Arbitrage yield certificate: Yes _____No _____
12. Reimbursement Prepayment Receipt Form completed
_____
13. Funds deposited into Capital Outlay Escrow Account on
_____
14. Yield restricted to rate of _____
15. Division of Administration notified of deposit on _____

c. Bond Proceeds Being Used for Prepayment of Reimbursement Contracts

CHECKLIST FOR BOND APPLICATIONS WHEN
BOND PROCEEDS ARE TO BE USED FOR
PREPAYMENT OF REIMBURSEMENT CONTRACTS

1. Name of entity _____
2. Identifying information on reimbursement contract to be prepaid with bond proceeds
Name _____
Series _____ Issue Date _____
Amount of Original Issue _____
Principal and Interest Payment Dates: P _____ I_____
3. State Debt Analyst notified of application (date) _____
4. Verification of prepayment amount received from SDA (date) _____

d. Notice for Prepayment of Reimbursement Contract

NOTIFICATION OF AMOUNT DUE FOR
PREPAYMENT OF REIMBURSEMENT CONTRACT

YOU ARE HEREBY NOTIFIED THAT THE OFFICE OF THE STATE BOND COMMISSION HAS RECEIVED YOUR REQUEST FOR PREPAYMENT OF THE FOLLOWING REIMBURSEMENT CONTRACT:

1. Name of entity _____
2. Identifying information on reimbursement contract to be prepaid with bond proceeds
Name_____
Series_____IssueDate_____
Amount of Original Issue _____
Principal and Interest Payment Dates: P _____ I_____

A REVIEW OF OUR RECORDS INDICATES THAT THE FOLLOWING AMOUNTS ARE DUE IN ORDER TO PREPAY THE REIMBURSEMENT CONTRACT ON OR BEFORE THE FOLLOWING DATE _____

Cost of prepayment:
a. Principal $
b. Interest $
c. Redemption premium, if any $
d. Less Reserves $
e. Total amount due for prepayment $

IF YOU CONCUR WITH THE ABOVE FIGURES, SIGN AND RETURN THE ORIGINAL OF THIS NOTICE TO THE ADDRESS SHOWN ABOVE. IF YOU DISAGREE WITH THE ABOVE FIGURES, CONTACT THE FOLLOWING PERSON AT THE STATE BOND COMMISSION:

_____
_____
_____

_____ _____
State Debt Analyst Chief Financial Officer

e. Receipt Log

PARISH AND LOCAL GOVERNMENT
REIMBURSEMENT CONTRACT PREPAYMENT
RECEIPT LOG

1. Name of prepaying entity _____
2. Identifying information on reimbursement contract to be prepaid
Name _____
Series _____ Issue Date _____
Amount of Original Issue _____
Principal and Interest Payment Dates: P _____ I _____
3. Check Number _____
4. Dated _____
5. Amount Received _____
6. Date Received _____
7. Deposited into: _____
(Account Name)
8. Yield restricted or yield reduction payments owed in accordance with the following rates:
Rate of arbitrage yield for prepaying entity _____
Rate of arbitrage yield for state bond issue _____
9. Source of Funding
a. Local Bond Issue? _____
b. Tax-Revenue? _____

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Bond Commission, LR 21:404 (April 1995), amended LR 22:993 (October 1996).

Chapter 19. Fee Schedule

§1901. Fee Schedule

A. Pursuant to R.S. 30:1405.1(B), the treasurer is authorized after such appropriation, to rebate, on a pro rata basis, the amount of such excess fees attributable to general government agencies, as defined in the State Bond Commission's fee schedule, and otherwise in its rules and regulations, to the issuers of such general government issues paying closing fees for such issues in the fiscal year during which the fees were imposed. In no event, however, shall this rebate provision apply to application fees. The provisions of this rule apply to the Bond Commission fee schedule listed herein.

B. General Government Issues*

General Government Application Fee		$100.00**
Closing Fees	Par	Percentage
First	$500,000	0.065%
Next	$4,500,000	0.060%
Next	$5,000,000	0.055%
Next	$10,000,000	0.050%
Next	$30,000,000	0.045%
Next	$50,000,000	0.035%
Certified Copy Fee	No charge for one copy $5 for each additional copy	

C. Private Purpose Bonds***

Private Purpose Application Fee		$1,500.00**
Closing Fees	Par	Percentage
First	$5,000,000	0.125%
Next	$20,000,000	0.110%
Next	$25,000,000	0.105%
Next	$50,000,000	0.100%
Over	$100,000,000	0.090%
Annual Agenda Subscription Fee		$100.00 Private Sector $50.00 Public Sector

*To be levied on debt instruments with maturities in excess of 12 months excluding budgetary loans made under the provisions of R.S. 39:745, 17:89, 33:9901.

**Application fee will be credited toward the closing fee when bonds are issued, sold or delivered.

***Private purpose bonds are defined as bonds the proceeds of which are used primarily for the benefit of a private company or enterprise or the payment on such bonds, are paid from revenues derived from private enterprise or concern, regardless of the issuer or the tax exempt status of the debt.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1405.1.

HISTORICAL NOTE: Promulgated by the Department of Treasury, Bond Commission, LR 27:1706 (October 2001).

Chapter 21. Electronic Bidding

§2101. General Provisions

A. Bids for general obligation bonds of the state may be received by the state bond commission through sealed bids, electronic bids or facsimile bids as provided herein. Bids received electronically must be submitted via a qualified electronic bid provider, as determined by the State Treasurer, and as set forth in the Notice of Sale for the bonds. Bidders submitting a bid electronically must provide a signed official bid form to the state bond commission not later than 4 p.m. (Baton Rouge time) on the day prior to the opening of bids.

In the event that there is a malfunction in the electronic bidding system, bids may be submitted by facsimile as set forth in the Notice of Sale for the bonds, provided that the facsimile bids are received within the time limits set forth in the Notice of Sale. Delivery of a bid is at the risk of the bidder.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:5010.

HISTORICAL NOTE: Promulgated by the Department of Treasury, State Bond Commission, LR 26:1675 (August 2000), repromulgated LR 29:195 (February 2003).

Chapter 23. Surety Bond Deposit

§2301. General Provisions

A. Bidders for general obligation bonds of the state must furnish a good faith deposit in the amount of 2 percent of the par value of the bonds (the deposit) offered for sale in the form of a certified check or cashier's check or by surety bond. If a check is used, it must accompany each sealed bid. For an electronic bid or a facsimile bid as authorized by the Electronic Bidding Rule, the check must be provided in advance of the submission of the bid. Such check must be drawn on a bank or trust company authorized to transact business in the state of Louisiana or in the state of New York, payable to or in favor of the State Treasurer of Louisiana on behalf of the state of Louisiana. Any surety bond must be from an insurance company licensed to issue such a bond in the state of Louisiana and such bond must be submitted to the state bond commission prior to the opening of the bids. The surety bond must identify each bidder whose deposit is guaranteed by such surety bond. If the bonds are awarded to a bidder utilizing a surety bond, then the successful bidder is required to submit its deposit to the state bond commission in the form of a certified check or cashier=s check drawn on a bank or trust company authorized to transact business in the state of Louisiana or in the state of New York, payable to or in favor of the State Treasurer of Louisiana on behalf of the state of Louisiana (or wire transfer such amount as instructed by the state bond commission) not later than 2 p.m. (Baton Rouge time) on the next business day following the award. If such good faith deposit is not received by that time, the surety bond will be drawn on by the state to satisfy the deposit requirement. No interest on the deposit will accrue to the successful bidder. The deposit will be applied to the purchase price of the bonds. In the event the successful bidder fails to honor its accepted bid, the deposit will be retained by the state. Delivery of the deposit is at the risk of the bidder.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:5010.

HISTORICAL NOTE: Promulgated by the Department of Treasury, State Bond Commission, LR 26:1675 (August 2000), repromulgated LR 29:195 (February 2003).

Title 71
TREASURY—PUBLIC FUNDS
Part V. Interim Emergency Board

Chapter 1. Operating Rules and Procedures

§101. Rules and Procedures

A. For purposes of a definition, an *emergency* is an event or occurrence not reasonably anticipated by the legislature, that is one not considered and rejected, in the same relative form or content, by a vote of the legislature or a committee thereof.

B. Requests for programs or projects which may require future continuing state appropriations shall not be acted upon by the board except by request for deficit spending. Should such deficit spending be found impractical or impossible, the board may fund such projects with a favorable vote of six members.

C. Requests for emergency appropriations will be accepted only for funding of state agencies or state sponsored programs. The only exception to this rule shall be those requests from political subdivisions generated as a result of disaster situations (i.e., hurricane, flood, severe freezing, tornado, etc.).

D. Requests for emergency appropriations or deficit spending shall be submitted by the head of a state department or educational management board or by an area state legislator for a disaster situation application in behalf of a political subdivision on the board's official application form. The request shall be made to the board at least 10 working days prior to a scheduled meeting.

E. All educational institutions under the jurisdiction of a management board must submit the approval of that management board with the application.

F. Requests for any priority change in the capital outlay bill or for any certificate of impracticality or impossibility must be accompanied by a recommendation of the commissioner of administration at the time of submission.

G. The agenda of requested items shall be forwarded to each member of the board no later than five days prior to a scheduled meeting. The board, with a majority approval, may add to the published agenda only those items pertaining to a priority change, a certificate of impracticality or impossibility, a fiscal agent approval or any board administrative item. Because of statutory prohibitions, the board shall not suspend its rules to add an appropriation item to its published agenda.

H. The appropriation of funds by the board shall become effective upon receipt by the board, within 60 days after notice to the applicant of legislative approval, of satisfactory evidence of an obligation to expend such funds.

I. A resolution of the board shall be required for a bank to be designated as a fiscal agent for the state of Louisiana.

J. A budget for the operational expenses of the board shall be prepared for review by the board and submitted to the legislature through the normal budgetary process for inclusion in the general appropriations bill.

K. The board may impose such other qualifications, conditions, limitations, or restrictions on any appropriation it deems necessary and proper.

L. A letter shall be transmitted to the state treasurer stating that an appropriation has been made or a deficit has been authorized for a state agency in accordance with the law.

M. Warrants will be drawn only through the Division of Administration.

N. Any item which was favorably recommended by the board and received legislative approval from one house but failed to receive approval from the other house shall not be eligible for reconsideration for reballoting at any future meeting of the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:461.

HISTORICAL NOTE: Promulgated by the Department of the Treasury, Interim Emergency Board, LR 11:45 (January 1985), amended LR 12:446 (July 1986).

Title 71
TREASURY—PUBLIC FUNDS
Part VII. Administration

Chapter 1. Credit Card Acceptance by State Agencies

§101. Purpose

A. It is the intent of the state to accept payment of any obligation including, but not limited to, taxes, fees, charges, licenses, service fees or charges, fines, penalties, interest, sanctions, stamps, surcharges, assessments, obligations or any other similar charges by credit cards, debit cards or similar payment devices approved by the treasurer. The state recognizes the expanding role of electronic commerce ("e-commerce") in conducting business and the state is taking steps to become an active participate with the development of the "E-Mall", the state's one-stop shopping internet web site. Electronic payment methods, including credit cards, debit cards and similar devices is a vital link in "e-commerce." In order to incorporate these payment methods, Treasury has developed and promulgated guidelines in accordance with R.S. 49:316.1.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:316.1.

HISTORICAL NOTE: Promulgated by the Department of Treasury, LR 27:736 (May 2001), repromulgated LR 29:195 (February 2003).

§103. Definitions

Card Holder—the person a credit card, debit card or similar device has been issued or an authorized user of a payment card.

Card Provider—the issuer of a credit card, debit card or similar device who has contracted with Treasury for acceptance of their payment card or a financial institution which has contracted with Treasury for processing of card payments.

Merchant Account Number—the account number assigned by the Card Provider to the state entity.

Obligation—taxes, fees, charges, licenses, service fees or charges, fines, penalties, interest, sanctions, stamps, surcharges, assessments, obligations and any other similar charges or obligations.

Payment Card—a valid credit or debit card or similar payment device which is designated by the treasurer as acceptable by any state entity to make payment for any state obligations.

Provider Billings—the manner in which the card providers will bill the state for the settled card payment transactions.

State Charge—a fee established by the treasurer in the form of a uniform dollar amount or percentage assessed for each card or device and for each method of conducting transactions to be accepted by state entities.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:316.1.

HISTORICAL NOTE: Promulgated by the Department of Treasury, LR 27:736 (May 2001), amended LR 28:2205 (October 2002), repromulgated LR 29:195 (February 2003).

§105. Application for Credit Card or Similar Devices

A. The treasurer will negotiate and enter into contracts, with card provider(s) not to exceed five years, for acceptance of credit card, debit card and similar payment devices. The treasurer will seek to achieve uniform implementation and standard terms and provisions with respect to the acceptance of payments by state entities. A state entity may recommend that the treasurer consider a specific credit or debit card for approval. Annually, the treasurer will publish on the treasurer's website a list of approved credit card, debit card or similar devices by which any state entity will be authorized to accept for payment of any obligation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:316.1.

HISTORICAL NOTE: Promulgated by the Department of Treasury, LR 27:737 (May 2001), repromulgated LR 29:196 (February 2003).

§107. Acceptance of Cards by the State Entities

A. The state, through any department, agency, board or commission or other state entity, may accept payment of any obligation by credit card, debit card and similar payment devices approved by the Treasurer. Each entity will apply for participation by completing a merchant service agreement. The original completed application must be delivered to treasury. Treasury will review the application for correctness and forward the application to the card provider for processing.

B. The agency may not set a per order minimum and/or maximum dollar transaction amount that an agency may accept payment by a payment card in compliance with card service agreements. State entities shall not institute or adopt any practice that discriminates or provides unequal treatment for any payment card versus any other payment card.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:316.1.

HISTORICAL NOTE: Promulgated by the Department of Treasury, LR 27:737 (May 2001), repromulgated LR 29:196 (February 2003).

§109. Operating Procedures

A. Treasury will determine procedures that state entities must comply with to accept payment by payment card(s). These procedures, may be modified from time to time, to accommodate the state's accounting policies or treasury contract(s) for acceptance of payment card(s). Treasury will

provide written procedures to participating state entities. These procedures will provide uniform implementation and standard terms and conditions for acceptance of payments by state entities. These procedures will determine:

1. the manner in which authorization is obtained by state agencies prior to making the card sales;

2. preparation of sales slips;

3. handling of card member refunds and credits;

4. settlement of transactions;

5. charge back rights;

6. card member disputes;

7. billing inquires;

8. retention of records; and

9. any other contract matters.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:316.1.

HISTORICAL NOTE: Promulgated by the Department of Treasury, LR 27:737 (May 2001), repromulgated LR 29:196 (February 2003).

§111. State Charge

A. Treasury, from time to time, will negotiate with card providers for a fee for processing payment card transactions with state entities. Treasury will seek to achieve reasonable fees that reflect the economies of scale achieved by negotiation. The fees may be composed of a percentage and/or a specific dollar amount as determined by treasury and the card providers.

B. The state charges shall encompass these various fees charged by card providers and include other applicable fees including fees by third party processors, or fees assessed by providers of Internet payment processing services. The state charges shall be in the form of a uniform dollar amount or percentage assessed for each card or device and for each method of conducting transactions to be accepted by state entities. The state charges will be revised from time to time and the treasurer shall notify state entities of the revised state charges.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:316.1.

HISTORICAL NOTE: Promulgated by the Department of Treasury, LR 27:737 (May 2001), amended LR 28:2205 (October 2002), repromulgated LR 29:196 (February 2003).

§113. Fees

A. Each state entity shall assess a state charge for each payment transaction a payment card is accepted.

B. The state charge will be classified by the state entity into a fund designated by the treasurer. Each card issuer will provide to the treasurer and the entity a monthly billing detailing the amount of charges by merchant name and merchant account number. The entity will review the monthly billing and pay the invoice from the fund pursuant to an appropriation for this purpose by the legislature.

C. Each state entity will review the monthly billings and resolve discrepancies directly with the card provider(s).

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:316.1.

HISTORICAL NOTE: Promulgated by the Department of Treasury, LR 27:737 (May 2001), repromulgated LR 29:196 (February 2003).