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Louisiana Tax Increment Development Act

LOUISIANA REVISED STATUTES
TITLE 47. REVENUE AND TAXATION
SUBTITLE 9. DEVELOPMENT FINANCING
CHAPTER 1. TAX INCREMENT DEVELOPMENT CORPORATIONS

§8001. Short title

This Chapter may be referred to as the "Tax Increment Development Act".

§8002. Findings, declaration of necessity and purpose

It is hereby found and declared that:

- (1) It is the policy of the state to promote the sound growth and development of parishes and municipalities through the use of tax increment revenues to pay for or finance the cost, or a portion of the cost of providing adequate, safe and sanitary dwelling accommodations for families of all income levels; of retaining or attracting industries and commerce through acquisition, construction and rehabilitation of land, buildings, and equipment; of access to such facilities through transportation and mass transportation and public services; and of educational facilities, recreational facilities, public utilities, cultural and other community facilities and medical facilities.
- (2) For these purposes, there should be created bodies corporate to be known as "Tax Increment Development Corporations" through which the acquisition, planning, and development of land, buildings and improvements thereto, and the encouragement of maximum participation by the private sector of the economy, including the sale or lease of the corporation's interest in projects, if deemed feasible, may be accomplished. Through participation in programs undertaken by the state, its agencies and subdivisions, parishes and municipalities and the federal government and the issuance of bonds, notes, and other evidences of indebtedness, the corporations and their subsidiaries may provide or obtain the capital resources necessary to acquire, construct or improve industrial, manufacturing, commercial, educational, recreational and cultural facilities, housing accommodations for persons and families of all income levels, facilities incidental or appurtenant thereto, transportation systems and facilities, and may carry out the clearance, planning, mapping, development, and construction of such areas.
- (3) The interest of the state will be promoted, and the public interest best served, by permitting the corporations created hereby a wide scope in the purchase, development, and disposition of

property acquired by them in connection with tax increment development projects and related activities. Statutory provisions imposing restrictions upon the purchase and disposition of property by public bodies, if applied to such corporations, may hamper such corporations in the exercise of their functions with respect to such projects and related activities and adversely affect the public purposes sought to be achieved by this Chapter.

- (4) The acquisition, construction or improvement of industrial, manufacturing and commercial facilities, transportation systems and facilities, and of cultural, educational and recreational facilities and other public facilities; the planning, mapping, development and construction of such areas; the provision of adequate, safe and sanitary housing accommodations for persons and families of all income levels and such facilities as may be incidental or appurtenant thereto, are public uses and public purposes for which public money may be loaned, private property may be acquired, and tax exemptions granted. The powers and duties of the tax increment development corporation and their subsidiaries, as hereinafter prescribed, are necessary and proper as a matter of legislative determination to achieve the public purposes herein recited.

§8003. Definitions

The following terms wherever used or referred to in this Chapter shall have the following meanings unless a different meaning is clearly indicated in the context:

- (1) "Bonds and notes" means bonds, including refunding bonds, notes, interim certificates, certificates of indebtedness, debentures or other obligations or evidences of indebtedness authorized to be issued by a corporation pursuant to this Chapter.
- (2) "Clerk" means the official of the parish or municipality who is the custodian of the official records of the governing body.
- (3) "Corporation" or "the tax increment development corporation" means any of the public bodies corporate and politic created by R.S. 47:8004 through R.S. 47:8008 and any subsidiary thereof which may be created pursuant to R.S. 47:8014.
- (4) "Debt service millage" means any millage levied pursuant to Article VI, Section 30 of the Constitution of Louisiana which has been dedicated to retiring bonded indebtedness.
- (5) "Development Management" means the private development corporation or other entity retained by a corporation pursuant to R.S. 47:8010.
- (6) "Executive Officer" means the mayor, chief executive officer or any other officer charged with the duties customarily imposed on the mayor or chief executive officer of the parish or municipality.
- (7) "Federal government" means any department, agency or instrumentality, corporate or otherwise, of the United States of America.
- (8) "Governing body" means the legislative body, commission, council, board of aldermen, police jury, or other body charged with governing the parish or municipality.
- (9) "Increment revenues" means the amount calculated pursuant to R.S. 47:8010 and 8011.
- (10) "Land acquisition" means the acquisition of real property for land development as part of a project. Land acquisition shall include the removal of liens and encumbrances on real property and the use of real property in connection with the acquisition of such property.
- (11) "Land development" means the process, as part of a project, of clearing and grading land, arranging for the installation or construction of water lines and water supply installations, sewer

lines, and sewage disposal installations, steam, gas, and electric lines and installations, roads, streets, curbs, gutters, sidewalks, storm drainage facilities, and other installations or work, whether on or off site, deemed desirable to prepare land for residential, commercial, industrial or other uses, or to provide facilities for public or common use. Land development shall include the construction of public facilities but shall not include the construction of any other building unless it is:

- (a) Needed in connection with a water supply or sewerage disposal installation or a steam, gas or electric line, or installation; provided that any building proposed to be constructed under this clause which interferes with the construction, operation or maintenance of a steam, gas or electric line or installation of a public utility corporation legally authorized to operate in the area of the development project shall not be undertaken without the consent of said public utility corporation, or
 - (b) Is to be owned and maintained by the residents of the area included within the project under joint or cooperative arrangements.
- (12) "Master plan" means the comprehensive plan of the parish or municipality.
 - (13) "Municipality" means any city, town, or incorporated village in the state having a population of less than three hundred thousand in which a tax increment development corporation is created hereby. "The municipality" shall mean the particular municipality in which a particular tax increment development corporation is created.
 - (14) "Parish" means any parish in the state in which a tax increment development corporation is created hereby. "The parish" shall mean the particular parish in which a particular tax increment development corporation is created.
 - (15) "Person" means any individual, firm, partnership, corporation, company, association, joint stock association, or body politic; and shall include any trustee, receiver, assignee, or other person acting in a similar representative capacity.
 - (16) "Planning body" means the commission, board, department or agency in the parish or municipality charged with the responsibility of conducting comprehensive planning and developing the master plan for such parish or municipality.
 - (17) "Preservation" means the acquisition, renovation, reconstruction or other improvement of any buildings and the land upon which it is situated which has any historical or architectural value or uniqueness.
 - (18) "Public agency or body" means the state and any parish or municipality; and any board, commission, authority, agency, district, subdivision, or department, instrumentality, corporate or otherwise, of the foregoing.
 - (19) "Real property" means all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith any and every estate, interest, right or use, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage or otherwise.
 - (20) "Subsidiary" means a corporation created by a tax increment development corporation pursuant to R.S. 47:8009.
 - (21) "Surplus profits" means profits in excess of that required, as determined by a corporation, to meet the needs, goals, and objectives of a tax increment as provided in R.S. 47:8016.

- (22) "Tax increment community" means a newly-built community or major addition to or upgrading of an existing community which includes most, if not all, of the activities and facilities normally associated with a city or town; cultural, educational, and religious facilities, as well as housing, transportation, utilities, industry, commerce, open space, and recreation.
- (23) "Tax increment community development area" or "area" means the area of the parish or municipality designated by the governing body, pursuant to R.S. 47:8011(A), as the site of a tax increment community.
- (24) "Tax increment development plan" or "plan" means a generalized land use and land development plan for a new community development area which shall include but not be limited to the following:
- (a) The major planning assumptions and objectives, including the projected population and the planned development pace.
 - (b) A generalized statement of the proposed uses of land throughout the area with a general allocation of relative amounts and proportions of the area to be devoted to residential, commercial, industrial, institutional and public use, indicating the anticipated residential density, the approximate proportionate amounts of low, moderate and higher income facilities and the general extent of commercial and industrial uses.
 - (c) A generalized statement of the relative amounts and proportions of proposed public, semi-public, private or community facilities or utilities including but not limited to major arterial street systems, parks, recreational facilities, shoreline development, water and drainage systems and health and educational facilities.
 - (d) A statement of the relationship between the tax increment community development plan and the master plan for the parish or municipality.
 - (e) Such additional statements or documentation as a corporation may deem necessary or appropriate.
- (25) "Tax increment community development project" or "development project" or "project" means one or more works, undertakings and activities for the development, redevelopment, improvement, construction, rehabilitation or conservation of structures, facilities and appurtenances in a tax increment development area which is intended to result in a tax increment, including the activities required to carry out a tax increment development plan.
- (26) "Tax increment trust fund" means a trust fund established pursuant to R.S. 47:8011.
- (27) "Taxing district", for purposes of this Chapter, includes the governing body and each separate taxing authority or tax recipient body within the parish or municipality except parish school boards and school districts.
- (28) "Title VII" means Title VII of the Housing and Urban Development Act of 1970, 42 U.S.C. §§4511-4532, including any successor or amendatory statutes.
- (29) "Title VII activities" means "land acquisition" and "land development".

§8004. Creation of corporation; public hearing; adoption of resolution; certificate

- A. In each parish of the state and in each municipality of the state there is hereby created "The Tax Increment Development Corporation", consisting of a public body corporate and politic and instrumentality of that parish or municipality. Each such corporation shall be authorized to perform governmental functions as herein provided and shall have perpetual existence, provided, however, that upon the adoption by the board of directors of such corporation of a resolution

dissolving the corporation and the passage by the governing body of the parish or municipality of a resolution concurring in such dissolution, such corporation's corporate existence shall be terminated. No such corporation shall transact any business or exercise any powers conferred upon it by this Chapter until and unless the governing body of the parish or municipality has by ordinance or resolution activated the corporation.

- B. The governing body shall by ordinance, resolution or motion at any time after the passage of this Chapter, call a public hearing to determine the need to activate such a corporation. Notice of such hearing shall be published at least twenty-one days preceding the day on which the hearing is to be held, in a newspaper having a general circulation in the parish or municipality. At the hearing, a full opportunity to be heard shall be granted to all interested parties. If the governing body determines, after such hearing, that a corporation should be activated to exercise the authority herein provided, then the governing body shall adopt an ordinance or resolution so finding, shall cause notice of such ordinance or resolution to be given to the executive officer and shall immediately appoint directors of the corporation as set forth in R.S. 47:8005, and shall notify the directors of the date on which they are to assume their duties. A certificate setting forth the finding by the governing body and declaring that all directors have assumed their offices shall be signed by the executive officer and all of the directors, filed in the office of the secretary of state and there remain of record. Upon the filing of such certificate, the directors and their successors shall constitute "The Tax Increment Development Corporation" of the parish or municipality and shall have all the power and authority set forth in this Chapter.
- C. In any suit, action, or proceeding involving the validity or enforcement of any contract or act of a corporation, a copy of the certificate, duly certified by the secretary of state, shall be conclusive evidence as to the valid formation and activation of the corporation.

§8005. Board of directors; appointment; tenure; compensation

- A. The board of directors of a corporation shall consist of not less than five nor more than nine members appointed and qualified as follows:
- (1) The executive officer of such parish or municipality or his designee; one state senator or his designee who must represent a senatorial district within which the parish or municipality is located, to be appointed by the majority vote of all state senators representing such parish or municipality, and one state representative, or his designee, who must represent the district in which such parish or municipality is located, to be appointed by the majority vote of all state representatives representing such parishes or municipalities; all of whom shall be ex officio members of the board of directors and all of whom shall have full voting rights on any matters before the board.
 - (2) Not less than two nor more than six citizens and residents of the parish or municipality appointed by the executive officer of such parish or municipality subject to the approval of the governing body, all of whom shall be of the full age of majority and registered voters of such parish or municipality. The executive officer shall designate one of the citizens and residents to serve as the initial chairman of the board of directors.
- B.(1) The chairman of the board of directors shall be appointed for a term of seven years from the effective date of his appointment. Of the remaining non-ex officio directors, one shall serve an initial term of six years from the effective date of his appointment, and the others shall serve an

initial term of five years from the effective date of their appointment. Thereafter, the non-ex officio directors of a corporation shall serve for a term of five years or until their respective successors are appointed and qualified, provided, however, that no director shall continue to serve on the board after he ceases to be a resident of the parish or municipality. If at any time there is a vacancy in the membership of the board of directors by reason of death, resignation, disqualification or otherwise, such vacancy shall be filled for the unexpired term in the same manner as the original appointment.

- (2) As an alternative to the appointment of a board of directors for the corporation as provided in Subsection A of this Section, the governing body may, at the time of the adoption of an ordinance or resolution under R.S. 47:8004(B), or at any time thereafter by adoption of an ordinance or resolution declare that the board of directors of the corporation shall consist of those individuals who are serving, from time to time, as the duly elected members of the governing body, the executive officer of the parish or municipality and the state senator and representative, or their designee, as provided in Paragraph (A)(1) of this Section.
- (3) Directors appointed pursuant to this Subsection shall be ex officio and shall have full voting rights on any matters before the board.
- C. The non-ex officio directors of a corporation may receive such salary as may be set by the board. The ex officio directors shall receive no salary. All directors may be entitled to reimbursement for their actual and necessary expenses incurred in the performance of their duties as directors, provided, however, that no expenses incurred for purposes of travel beyond the borders of the state of Louisiana shall be reimbursed unless previously authorized by the board of directors.

§8006. Organization of corporation; employees; meetings; personal liability of directors

- A. Except for the selection of the initial chairman, the directors of a corporation shall initially and annually thereafter select from among themselves a chairman, vice chairman, and such other officers as the corporation may determine. A corporation may employ an executive director and other employees as it may require, shall determine the qualifications and compensation of such employees as are exempt from the civil service system, and may engage or employ consultants in any field, discipline, or profession necessary to carry out the authorized purposes of said corporation.
- B. All permanent employees of a corporation, other than the directors, the executive director and his assistant, shall be part of the civil service system of the parish or municipality. Consultants or other persons or groups furnishing services under contract, including but not limited to managerial, engineering, planning or legal services, shall not be a part of the civil service system regardless of the length of their contracts or the nature of the services rendered.
- C. A majority of the directors of a corporation shall constitute a quorum for its meetings. Action may be taken by a corporation upon a vote of a majority of the directors of such corporation unless in any case the bylaws shall require a larger number. Directors of a corporation or other officers shall not be liable personally on the bonds or other obligations of such corporation and the rights of creditors shall be solely against such corporation.

§8007. Removal of directors; right to counsel; record of proceedings

With the consent of the governing body, the executive officer may remove a non-ex officio director for inefficiency, neglect of duty or misconduct in office, but only after the director has been given a copy of the charges against him and has had an opportunity to be heard in person or by counsel.

In the event of the removal of any such director, the executive officer shall file in the office of the clerk a record of the proceedings, together with the charges made against the director and the findings thereon. Such removal shall not constitute a bar to any other action, civil or criminal, which may be taken by appropriate authorities.

§8008. Conflict of interest; disclosure of interests; penalty

- A. No director or officer of a corporation shall borrow money or receive anything of value from any contractor doing business with such corporation. No director, officer, or employee of a corporation shall have any interest in any contract let by such corporation. Any director or officer of a corporation who is a director or stockholder in any corporation, or is an agent or attorney or who is financially interested in any subject before the corporation shall reveal such interest to the board of directors of the corporation and shall not discuss or vote on the subject at any meeting of its board of directors or any of its committees.
- B. A corporation may purchase from, sell to, borrow from, loan to, contract with or otherwise deal with any corporation, trust, association, partnership, or other entity in which any member of its advisory board has a financial interest, direct or indirect, provided that such interest is disclosed in the minutes of the corporation and provided further that no member having such a financial interest may participate in any decision affecting such transaction.
- C. Any contract entered into in violation of this Section shall be voidable at the option of the corporation.

§8009. Powers of the corporations

A corporation shall have the following powers:

- (1) To sue and be sued.
- (2) To have a seal and alter the same at pleasure.
- (3) To adopt, amend, or repeal bylaws for its organization and internal management and to make rules and regulations with respect to its development program, operations, properties, and facilities.
- (4) To make and execute contracts, and all other instruments necessary or convenient for the exercise of its powers and functions under this Chapter, including agreements with noteholders, bondholders, guarantors, or others interested in any evidences of indebtedness of the corporation relating to matters pertaining to the securities being issued, including limitations of the activities and indebtedness of the corporation.
- (5) To appoint officers and prescribe their qualifications and duties, to retain independent auditors, legal counsel and appraisers, and to retain such consultants and employees as may be desirable, convenient, or necessary for carrying out the purposes of this Chapter and, consistent with civil service requirements, to fix and determine their duties and compensation on a contract basis or otherwise.
- (6) To acquire by purchase, lease, option, gift, grant, bequest, devise or otherwise, any property, real, personal or mixed, together with any improvements thereon; to hold, improve, preserve, clear, or prepare for development any such property; to own, operate, maintain, sell, lease, convey,

transfer, exchange, mortgage, pledge or otherwise dispose of, or in any manner encumber or place restrictions on or create a security interest in, or grant options with respect to all or any part of its real, personal or mixed property or any interest therein on such terms and conditions as the corporation may deem to be in the public interest and advisable in connection with its corporate purposes; to insure or provide for the insurance of any real or personal property or operations in the parish or municipality against any risks or hazards, including the power to pay premiums on any such insurance; and to enter into any contracts necessary to effectuate the purposes of this Chapter provided, however, that upon the determination by the board of directors that the public interest will be best served by the purchase or disposition of property in a tax increment development area without restrictions applicable to public bodies, no statutory provision restricting the purchase or disposition of property by public bodies shall be applicable to or affect the activities of the corporation in the exercise of such functions with respect to a tax increment development project or related activities; provided, however, the board of directors shall be required at all times to comply with the provisions of Chapter 10 of Title 38 of the Louisiana Revised Statutes of 1950 relating to public contracts and anything contained herein to the contrary notwithstanding, the board of directors shall have no authority to waive any of the provisions of said Chapter 10.

- (7) To accept a purchase money mortgage in connection with the sale of any real or personal property and to repurchase or otherwise reacquire and hold any real or personal property which the corporation has theretofore sold, leased or otherwise conveyed, transferred or disposed of, all upon such terms and conditions as the corporation may deem advisable for its corporate purposes.
- (8) To prepare or cause to be prepared a general development plan for a tax increment development area and to modify such plan from time to time as the corporation deems necessary or appropriate.
- (9) To prepare or cause to be prepared plans, specifications, designs and estimates of cost, including specific development plans, for the construction, reconstruction, rehabilitation, preservation, improvement, alteration, or repair of any property within the tax increment development area and from time to time to modify such plans, specifications, designs, or estimates.
- (10) To manage or cause to be managed any or all of a tax increment development project and to enter into agreements with the United States, the state or any parish or municipality, or any agency or instrumentality thereof or with any person, firm, partnership, corporation or other entity, either public or private, for the purpose of causing such development project or projects to be managed.
- (11) To create one or more subsidiary corporations and to cause such subsidiary or subsidiaries to exercise any powers which the corporation is permitted to exercise.
- (12) To lend or donate monies, whether secured or unsecured, to any subsidiary corporation and to purchase, sell, or pledge the shares, bonds or other obligations or securities thereof on such terms and conditions as the corporation may deem advisable.
- (13) To plan, replan, open, dedicate, create or close private or public streets, roads, roadways, alleys, sidewalks and other rights of way; upon compliance with applicable rules and regulations, and to provide and furnish, or contract with the parish or municipality or others for the providing and furnishing of, any public facilities or services including local transportation facilities in connection with a development project, provided that where a public utility corporation is legally

authorized pursuant to a franchise or indeterminate permit to provide utility service or services within the area comprising the tax increment development project, the corporation shall not provide and furnish nor contract for the providing and furnishing of such service or services without the consent of such public utility corporation.

- (14) To place land use restrictions, building restrictions and architectural and aesthetic controls by covenants, declarations, regulations or otherwise on any real property that may be disposed of by the corporation pursuant to this Chapter.
- (15) To encumber any real property that may be disposed of by the corporation with liens, covenants, declarations, or restrictions requiring the payment of ad valorem taxes or other assessments with respect to such property or any improvements thereon, to any individual, corporation, association, or other entity acquiring such property or to require the waiver of rights to claim homestead exemptions for residential rent property charged with the furnishing or maintenance of recreational, social or other facilities, whether public or otherwise, to a tax increment community, and to exempt any such property, in whole or in part from the imposition of such liens, covenants, taxes, assessments, declarations, or restrictions.
- (16) To acquire, construct, reconstruct, improve, alter, rehabilitate, enlarge, preserve, operate, and maintain structures, appurtenances and facilities necessary or convenient in connection with the purposes of this Chapter.
- (17) To make contracts, incur liabilities, borrow money at such rates of interest, maturities and on such other terms and conditions as the corporation may determine, issue its notes, bonds and other obligations, including such bonds, notes or other obligations as are authorized by Title VII to be guaranteed by the United States, and secure any of its obligations by mortgage, deed of trust, or pledge of all or any of its real or personal property or any interest therein, whether then owned or thereafter acquired, and to pledge the revenues and receipts from all or any of its real or personal property and to assign or pledge the income received by virtue of said lease or leases and, subject to the provisions of any contract with noteholders, bondholders or guarantors, to consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest secured or any other term, of any mortgage, mortgage loan, mortgage loan commitment, contract, or agreement of any kind to which the corporation is a party.
- (18) In connection with any property on which it has made a mortgage loan, to foreclose on any such property or commence any action or protect or enforce any right conferred upon it by any law, mortgage, contract, or other agreement and to bid for and purchase such property at any foreclosure or at any other sale or otherwise acquire or take possession of any such property; and in such event the corporation may complete, administer, pay the principal of and interest on any obligations incurred in connection with such property, dispose of and otherwise deal with such property in such manner as may be necessary or desirable to protect the interest of the corporation therein.
- (19) Subject to any restrictions contained in any agreement with bondholders, noteholders or guarantors, to invest any funds held in reserve or sinking funds or any funds not required for immediate use or disbursement, in property or securities in which public bodies may legally invest funds subject to their control; to redeem such bonds as have been issued at the redemption price established therein or to purchase such bonds at less than redemption price, all such bonds so redeemed or purchased to be cancelled.

- (20) To contract for and to accept any gifts, grants or loans of funds or property, any guarantees of loans or bonds, or financial or other aid or assistance in any form from the United States government, the state of Louisiana or the parish or municipality or any agency or instrumentality of any of the foregoing or from any other source including but not limited to private corporations, trusts, foundations and other entities, to expend the proceeds for any corporate purpose and to comply with any conditions required for the obtaining of any such assistance, including, but not limited to, the execution of any compliance with a project agreement and other agreements or documents required by the United States under Title VII or any successor statute.
- (21) To enter into agreements with the parish or municipality and the state of Louisiana and the United States or any of them for any lawful purposes necessary or desirable to effectuate the purposes of this Chapter, including agreements to maintain or operate any public, semipublic, private or community facility or utility constructed or caused to be constructed by the corporation or any subsidiary corporation and to acquire by lease or otherwise any right or interest in such facility or utility, provided that where a public utility corporation is legally authorized pursuant to a franchise or indeterminate permit to provide utility service or services within the area comprising the tax increment development project, the corporation shall not construct or cause to be constructed nor acquire by lease or otherwise any utility said public utility corporation is authorized to provide in said area without the consent of said public utility corporation.
- (22) To comply with all ordinances, resolutions, rules and regulations of the parish or municipality relating to the adoption of building and performance codes and standards for roads, streets, buildings, sewer and water lines, etc.; to comply with all ordinances, resolutions, rules and regulations of the parish or municipality relating to the issuance of razing, building and use and occupancy permits and compliance certificates or approvals within a tax increment development area; anything herein to the contrary notwithstanding, the corporation and any subsidiary corporation or private corporation with which the corporation has contracted shall comply with all ordinances, resolutions, rules and regulations of the parish or municipality establishing building and performance codes or requiring use and occupancy permits and compliance certificates as a prerequisite for building construction in said parish or municipality.
- (23) To delegate to a development management such duties and responsibilities as it deems necessary or convenient in order to carry out the purposes of this Chapter.
- (24) To make available to the federal government, the state and to the parish or municipality or any appropriate agency, the recommendations of the corporation affecting any area in its field of operation or property therein, which it may deem likely to promote the public health, morals, safety or welfare.
- (25) To distribute to the parish or municipality all surplus profits arising out of the operation of a new community project.
- (26) To exercise the power of expropriation for the purpose of forwarding the objectives of a tax increment development plan, such power of expropriation to be utilized whenever necessary to carry out the purposes of this Chapter, provided, however, that each exercise of such power shall be (a) specifically concurred in by the governing body prior to its exercise or (b) consistent with an approved comprehensive plan prepared by the planning body.

- (27) To enter into partnerships, joint ventures, and other relationships with any federal, state or local governmental agency or with any private or public person, firm, partnership, corporation or other entity, provided:
- (a) That the objectives of such concerted activities shall be to forward the objectives of this Chapter,
 - (b) That any profit flowing to any nonpublic body as a result of such joint activities shall be reasonable, in the judgment of the corporation, in light of the services rendered and activities undertaken by such private party, and
 - (c) The corporation shall make express findings by resolution that it does not believe that it would be feasible for it to undertake the activity in question without participation by such other entities.
- (28) To do any and all things necessary or convenient to carry out the purposes of this Chapter and exercise the powers given and granted in this Chapter.

§8010. Increment revenues

- A. For purposes of this Chapter, the increment revenues of each taxing district shall be an amount equal to the increment in the income proceeds, revenues, and funds of such taxing district derived from or held in connection with the undertaking and carrying out of the tax increment development under this Chapter.
- B. Such increment revenues shall be determined annually and shall be an amount not to exceed ninety-five percent of the difference between:
- (1) The amount of ad valorem taxes levied each year by such taxing district, exclusive of any debt service millage, on taxable immovable property contained within the geographic boundaries of a tax increment development area; and
 - (2) The amount of ad valorem taxes which would have been produced by the rate at which the tax is levied each year by or for such taxing district, exclusive of any debt service millage, upon the total of the assessed value of the taxable real property in the tax increment development area as shown upon the most recent assessment roll used in connection with the taxation of such property by each taxing district prior to the effective date of the ordinance providing for the funding of the trust fund.

§8011. Tax increment trust fund; mandatory contributions

- A.(1) There shall be established by and for the benefit of each tax increment development corporation created under R.S. 47:8004 a tax increment trust fund. Funds allocated to and deposited into this fund shall be made available to the corporation as security to finance or refinance any tax increment development the corporation undertakes pursuant to the approved tax increment development plan.
- (2) No tax increment development corporation may receive, expend, commit to expend, or pledge an interest in its right to receive any increment revenues pursuant to this Section unless and until:
- (a) It has submitted to the governing body a complete description of the project which it proposes to undertake which description must specify the maximum indebtedness it may incur in connection with undertaking the project that is to be secured in whole or in part by increment revenues;
 - (b) Either the governing body or the governing body and one or more of the other taxing districts within the governmental subdivision have by ordinance or resolution provided for the funding of the tax

increment trust fund by agreeing to dedicate the increment revenues to facilitate the corporation's undertaking the proposed project; and

- (c) An estimate of the amount of increment revenues which will accrue from the tax increment development has been prepared by the corporation, showing that such increment revenues will be sufficient in amount to pay the costs of and/or debt secure on any indebtedness issued to pay the cost of such development. The appraisal committee, or its successor in function, of the Louisiana Real Estate Commission shall or shall be appointed as appraiser to certify that the appraisal practices constituting the basis for such projection of incremental revenues comply with all applicable appraisal standards and procedures.
- (d) Repealed by Acts 1999, No. 283, §2.
- B. The dedication and contribution of the increment revenues shall not impair existing obligations of any taxing district and shall not include tax revenues of a taxing district previously dedicated to any debt service or the contribution of which would violate the Constitution of Louisiana.
- C. Upon the adoption of the ordinance or resolution and the favorable vote of a majority of the electors as provided in Subsection A above, each taxing district which has adopted such ordinance or resolution, as defined herein, shall annually contribute to the tax increment trust fund all increment revenues, less and except those amounts which are to be excluded as provided in Subsection B above, up to its proportional share of the maximum dollar amount needed by the corporation to satisfy obligations or indebtedness incurred for a project or projects theretofore approved that is secured by increment revenues. The proportional amount of each taxing district shall be its share of the amount required by the corporation multiplied by a fraction, the numerator of which is such taxing district's increment revenues and the denominator of which is the total increment revenues of all such taxing districts.
- D. While any bond indebtedness of the corporation remains outstanding no taxing district shall reduce its millage if such reduction would result in a diminution of its obligations to make contributions of increment revenues, the dedication and contribution of which were theretofore approved by the local governing body and voted on favorably by a majority of the qualified electors of the local governmental subdivision.
- E.(1) Except for the purpose of funding the trust fund pursuant to Subsection F, of this Section upon the adoption of an ordinance providing for funding of the tax increment trust fund and the favorable vote of the majority of its electors as herein provided, each taxing district shall, by January first of each year, appropriate and pay to such fund for so long as any indebtedness secured by the pledge of increment revenues is outstanding, but not to exceed thirty years, a sum which is no less than the amounts required pursuant to Subsections B and C of this Section. If the tax increment development plan is amended or modified pursuant to R.S. 47:8013(D) each such taxing district shall make such annual appropriation for a period not to exceed thirty years after the date the governing body amends the plan but not more than amounts previously approved pursuant to Subsections B and C herein.
- (2) Any taxing district which does not pay the amounts required pursuant to Subsections B and C of this Section to the tax increment trust fund by January 1, shall pay to the tax increment trust fund an amount equal to five percent of the amount of such required payment and shall pay interest on such amount equal to one percent for each month such amount is outstanding.
- (3) No taxing district, as defined herein, is exempt from the provisions of this Section.

- F. Notwithstanding the provisions of Subsection D, the obligation of each taxing district pursuant to Subsections B and C of this Section to fund the tax increment trust fund annually shall continue until all obligations on any bonds issued by the tax increment development corporation in connection with a project or projects, previously approved as provided in Subsection A above, have been paid in full.
- G. The revenue bonds and notes of every issue under this Chapter may, by the terms thereof be payable solely out of the revenues pledged to and received by a tax increment development corporation and deposited to its tax increment trust fund. Furthermore, the lien created by such bonds or notes shall not attach to the assets of the corporation unless the bonds are issued with the full faith and credit of the corporation. The lien created by such bonds or notes shall not attach to any sums a taxing district is required to contribute to the tax increment trust fund until the increment revenues referred to herein are deposited in the tax increment trust fund. The holders of such bonds or notes have no right to require the imposition of any tax or the establishment of any rate of taxation in order to obtain the amounts necessary to pay and retire such bonds or notes.
- H. Revenue bonds issued under the provisions of this Chapter shall not be deemed to constitute a debt, liability or obligation of the governing body of the state or any political subdivision thereof, or a pledge of the full faith and credit of the governing body or the state or any political subdivision thereof, but in accordance with R.S. 47:8017 shall be payable solely from the revenues which each taxing district is required or has agreed to contribute to the tax increment trust fund and, if the indebtedness has been issued with the full faith and credit of the corporation, the assets of the corporation. All such revenue bonds issued by the corporation shall contain on the face thereof a statement to the effect that neither the full faith and credit nor the taxing power of the governing body or of the state or of any political subdivision thereof, other than the corporation if such bonds are issued with the corporation's full faith and credit, is pledged to the payment of the principal of, or the interest on, such bonds.
- I. Moneys in the tax increment trust fund may be expended from time to time for the following purposes, when directly related to financing or refinancing of development in a tax increment development area pursuant to an approved tax increment development plan:
- (1) Administrative and overhead expenses necessary or incidental to the implementation of a tax increment development plan adopted by the corporation.
 - (2) Expenses of redevelopment planning, surveys, and financial analysis, including the reimbursement of the governing body of the tax increment development corporation for such expenses incurred before the tax increment plan was approved and adopted.
 - (3) The acquisition of real property in the tax increment area.
 - (4) The clearance and preparation of any tax increment development area for redevelopment and relocation of site occupants as provided in R.S. 47:8013.
 - (5) The repayment of principal and interest or any redemption premium for the corporation's loans, advances, bonds, bond anticipation notes, and any other form of indebtedness.
 - (6) All expenses incidental to or connected with the issuance, sale, redemption, retirement, or purchase of corporation bonds, bond anticipation notes, or other form of indebtedness, including funding of any reserve, redemption, or other fund or account provided for in the corporation's resolution authorizing such bonds, notes, or other form of indebtedness.

- J. On the last day of the fiscal year of the tax increment development corporation, any money which remains in the trust fund after the payment of expenses pursuant to Subsection I for such year shall be:
- (1) Returned to each taxing district which paid the increment in the proportion that the amount of the payment of such taxing district bears to the total amount paid into the tax increment trust fund by all participating taxing bodies within the tax increment development area for that year;
 - (2) Used to reduce the amount of any indebtedness to which increment revenues are pledged; or
 - (3) Deposited into an escrow account for the purpose of later reducing any indebtedness to which increment revenues are pledged.
- K. The trustee of the tax increment trust fund shall be a trust company having a principal place of business within the state of Louisiana.

§8012. Development management

- A. In order to carry out the purposes of this Chapter, and to utilize private enterprise to a maximum degree consistent with the public interest, a corporation may by a two-thirds vote of the board of directors enter into a contract with a private development corporation to provide services to the corporation.
- B. The private development corporation with which the corporation contracts shall have experience in land use planning and land development and shall have the capability of planning, undertaking and carrying out large scale, multi-purpose urban development programs. Any such contract shall be on such terms and conditions as the corporation deems advisable, shall contain a cancellation clause allowing the corporation and the private development corporation to cancel on such terms and conditions as are equitable at any time upon six months notice, shall not be subject to the requirements of public or competitive bidding, and may contain such incentives as the corporation deems appropriate. The development management shall, subject to the policies and procedures and rules and regulations adopted by the board of directors, carry out such duties and responsibilities as the corporation shall deem necessary or convenient in order to effectuate the purposes of this Chapter.

§8013. Tax increment development plan; preparation; adoption; filing; modification

- A. After the governing body has, upon advice thereon by the planning body, by resolution designated an area of the parish or municipality as the site for development under the provisions of this Chapter, a corporation shall prepare or cause to be prepared a tax increment development plan for such area. After preparation of the plan, the corporation shall submit it to the governing body which shall refer it to the planning body, if any, for review and recommendation. However, the corporation shall not submit any such plan to the governing body until it has held at least one public informational meeting, which shall be held after twenty-one days prior notice thereof has appeared in a newspaper of general circulation in the parish or municipality. The planning body, if any, after review of the plan by such agencies as it considers appropriate, shall submit its written recommendations with respect to the proposed plan to the governing body within forty-five days after receipt of the plan for review. Upon receipt of the recommendations of the planning body, if any, or if no planning body exists within said parish or municipality, or if no recommendations are received within the said forty-five days, the governing body shall proceed

with a hearing as described in Subsection B hereof. In connection with the preparation of the plan, the corporation is hereby authorized to apply for and receive planning advances from the federal government or other bodies.

- B. The governing body shall hold a public hearing on the plan after at least fourteen days prior public notice thereof by publication in a newspaper having a general circulation in the parish or municipality. The notice shall describe the time, date, place and purpose of the hearing, shall generally identify the area covered by the plan, and shall outline the general scope of the proposed project. At the hearing the governing body shall afford an opportunity for all interested persons or agencies to be heard and shall receive, make known and consider recommendations in writing with reference to the plan. The governing body shall, after the hearing and after review of the recommendations of the planning body, approve the plan if it is in conformity with the master plan of the parish or municipality, if any, or the recommendations of the planning body with respect to such plan and is consistent with the purposes of this Chapter. Upon approval of the plan by the governing body, the corporation shall take such action, pursuant to R.S. 47:8014 through 47:8016, as it may deem necessary to implement the plan.
- C. Upon the adoption of the plan by the governing body, it shall be filed as a public record in the office of the clerk and the registrar of conveyances of the parish or municipality and any conveyance, encumbrance or contract may incorporate provisions thereof by reference, which shall afford notice thereof to all parties. Any comprehensive guidelines adopted by a corporation pursuant to R.S. 47:8015(C)(1) be filed in the same manner as the plan.
- D. The plan may be modified by the corporation at any time, but any modification after sale or lease by the corporation of real property for development in the tax increment area, shall be subject to any rights a lessee or purchaser may have acquired by virtue of such lease or purchase; provided, however, that no public hearing shall be required for any modification which the governing body may deem by resolution not to be substantial. The governing body may, by resolution or the adoption of rules and regulations, delegate to the planning body, if any, the duty of determining whether any proposed modification of the plan is substantial.

§8014. Subsidiary corporations; creation; purposes; powers; compensation of members

- A. Subject to the provisions of R.S. 47:8026, a corporation may exercise its powers and functions through one or more subsidiary corporations. The corporation by resolution duly adopted by two-thirds vote of the board of directors may authorize any of its directors or officers to organize one or more wholly owned subsidiary corporations. Such resolution shall prescribe the purposes for which such subsidiary corporation or corporations shall be formed.
- B.(1) Upon the determination by the board of directors that it is necessary or convenient in connection with the purposes of this Chapter, a corporation may organize one or more subsidiary corporations for the purpose of undertaking Title VII activities. Any such subsidiary corporation shall be authorized to apply for such federal guarantees or other assistance as are authorized by Title VII, and to accept such guarantees and other assistance and to perform such acts as may be required in connection therewith including entering into any contracts or project agreements.
- (2) One or more subsidiary corporations may be organized for the purpose of undertaking in a tax incremental development area the development of any real estate designated for residential, commercial, industrial, institutional, recreational or other use, including the construction,

reconstruction, improvement, preservation, alteration, rehabilitation, enlargement, operation and maintenance of any residential, commercial, industrial, institutional, recreational or other structure, appurtenances and facilities necessary or convenient in connection with the purposes of this Chapter.

- C. A corporation, in order to carry out the purposes of this Chapter, may transfer to any subsidiary corporation any monies and any real or personal or mixed property. Each such subsidiary corporation shall have all the power, authority, privileges, immunities, tax exemptions, and other exemptions enjoyed by the corporation and shall be subject to the same restrictions as are applicable to the corporation, particularly those which are required under R.S. 38:2211 et seq. of the Louisiana Revised Statutes.
- D. Officers and directors of any subsidiary corporation authorized hereby shall receive such compensation as the board of directors of its parent corporation may determine, provided, however, that no officer or director of such parent corporation or public official or full-time employees of the state or the parish or municipality shall receive any compensation, either direct or indirect, other than reimbursement for actual and necessary expenses incurred in the performance of his duties, by reason of his serving as a member, director or trustee of any subsidiary corporation.

§8015. Disposition of property in tax increment development area

- A. Subject to the provisions of R.S. 47:8014(B)(1), real property acquired by a corporation pursuant to this Chapter and in accordance with the tax increment development plan shall be disposed of, as provided in this Section, as soon as feasible, consistent with the public interest and the requirements of the plan.
- B. A corporation may sell, lease or otherwise transfer real property or any interest therein acquired by it in a tax increment development area for residential, recreational, commercial, industrial or other uses or for public use, in accordance with a plan, subject to such covenants, conditions and restrictions, including covenants running with the land, as it may deem to be necessary or desirable to carry out the purposes of this Chapter, including covenants requiring owners/occupants of residential real property to not claim any applicable exemptions to ad valorem taxation provided for by any provision of Louisiana law. The purchasers or lessees and their successors and assigns shall devote such real property solely to the uses specified for such property in the plan, and shall comply with such other requirements and restrictions as the corporation may determine to be in the public interest. Except as provided under Subsection C of this Section, such real property or interest shall be sold, leased, or otherwise transferred at not less than its fair value for the use for which such property is intended. In determining the fair value of real property for uses in accordance with the plan, the corporation shall consider the use designated for the real property in the plan, the covenants, conditions and obligations assumed by the purchaser or lessee, and the purposes of this Chapter. The corporation, in any instrument of conveyance to a private purchaser or lessee, may provide that such purchaser or lessee shall not, before he has obligated himself to construct thereon, sell, lease, or otherwise transfer the real property without the prior written consent of the corporation.
- C. A corporation may sell, lease, or otherwise transfer real property or any interest therein acquired by it in a new community development area for residential, recreational, commercial, industrial or

other uses or for public use to private developers, nonprofit organizations or public agencies at less than its fair value for uses in accordance with a plan when and only when all of the following provisions of this Subsection have been complied with:

- (1) The corporation has duly adopted comprehensive guidelines, equally applicable to private developers and public agencies, governing the formulation of and the participation of such developers and agencies in, programs designed to provide adequate housing for low and moderate income families; to increase recreational facilities, and to provide health care or job opportunities or other public needs; and such guidelines have been filed as provided in R.S. 47:8013(C); and
 - (2) Written agreements assuring compliance with the aforementioned guidelines have been entered into between the corporation and interested developers, public agencies or nonprofit organizations.
- D. Notwithstanding the provisions of any general, special or local law and subject to any agreement with noteholders, bondholders or guarantors, any such sale, lease or other transfer pursuant to Subsections B and C of this Section may be made without public bidding or public sale, pursuant to negotiated contracts, agreements or leases, containing such provisions, limitations, requirements, terms and conditions as the corporation in its discretion may determine to be necessary or desirable for the effectuation of a tax increment development plan.
- E. A corporation may operate, maintain or lease real property acquired by it in a tax increment development area for or in connection with a tax increment development project, pending disposition of the property as authorized in this Chapter, without regard to the provisions of Subsection A above, for such uses and purposes as may be deemed desirable even though not in connection with the plan, provided, however, that in no event shall such uses be of a permanent nature or interfere in any way with the implementation of the plan and provided further that the question of the continuance of such uses shall be reviewed by the corporation on a yearly basis.
- F. Except in the case of a public body or nonprofit corporation or institution seeking to avail itself of Subsection C of this Section, real property acquired in accordance with a tax increment development plan may be disposed of to a public body for public reuse or to a nonprofit corporation or institution without regard to the provisions of this Section.

§8016. Development by corporations; surplus profits

- A. Notwithstanding R.S. 47:8025, but consistent therewith, a corporation may, itself, or through the use of one or more subsidiary corporations, or through partnerships or joint ventures, as permitted in R.S. 47:8009, develop, construct, operate or maintain any facilities, structures, and appurtenances. However, the corporation shall not engage in any such activities unless or until the board of directors of the corporation, after review of all available information and data, determines that it would not be economically feasible or practical for such development, construction, operation or maintenance to be undertaken by private enterprise acting alone.
- B. Any profits derived from the developmental activities of a corporation shall be applied by its board of directors to meet the needs, goals and objectives of the tax increment community, including, but not limited to the development of programs designed to meet social objectives, the development of amenities for the residents of the tax increment development area and for such related purposes as the board of directors shall determine.

- C. The board of directors of a corporation shall from time to time review the financial condition of any tax increment project and determine if there are surplus profits available for distribution by the corporation to the parish or municipality. In the event that the board of directors determines that there are surplus profits available for distribution to the parish or municipality, it shall so certify to the governing body and immediately transfer such surplus profits to the treasury of the parish or municipality. Upon such certification, the governing body, by ordinance or resolution, shall determine how and for what purposes the surplus profits shall be expended.
- D. Subsections B and C of this Section shall be subject to any agreement with noteholders, bondholders, guarantors or others interested in any evidence of indebtedness of a corporation.

§8017. Bonds of the corporations

- A.(1) As used in this Section, the word "bonds" shall mean and include bonds, notes, certificates of indebtedness, or other evidences of indebtedness for the repayment of borrowed money. A corporation is hereby authorized to issue its negotiable bonds from time to time, with the approval of the State Bond Commission, in such principal amounts as the corporation shall determine to be necessary to provide sufficient funds for achieving any of its purposes, including but not limited to, the payment of interest on bonds of the corporation, the receipt of funds in anticipation of the sale of its bonds, the establishment of reserves and other funds and account to secure such bonds and all other expenditures of the corporation necessary or convenient to carry out its corporate purposes and powers. Such bonds shall be authorized and issued by a resolution or resolutions of the corporation and shall be of such series, bear such date or dates, be of such type, mature at such time or times, bear interest at such rate or rates payable on such date or dates, be in such denominations, be in such form, carry such registration and exchangeability privilege, be payable in such medium of payment and at such place or places, be subject to such terms of redemption and be secured in such manner consistent with the authority contained herein as the resolution authorizing such bonds may provide. No corporation may issue any negotiable bonds that are to be secured in whole or in part by tax increment trust funds without the prior approval by ordinance or resolution of the governing body.
- (2) Any bonds issued pursuant to this Section also may be secured by a trust agreement by and between the corporation and one or more corporate trustees or fiscal agents, which may be any trust company or bank having the powers of a trust company within or without this state.
- (3) All bonds issued by the corporation shall be sold in such manner and for such prices as its board may determine.
- (4) A corporation is authorized to issue refunding bonds for the purpose of refunding outstanding bonds issued pursuant to the provisions of this Section in accordance with Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended.
- (5) Any pledge of taxes, revenues, securities, and other moneys made by a corporation pursuant to this Section shall be valid and binding from the time when the pledge is made. Such taxes, revenues, securities, and other moneys so pledged and then held or thereafter received by a corporation or any fiduciary shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against a corporation,

whether or not such parties have notice thereof. The instrument by which such a pledge is created need not be filed or recorded except in the official minutes of the corporation.

- (6) The bonds shall be executed in the name of the corporation in the manner provided in the resolution authorizing the issuance of such bonds.
 - (7) Pending the preparation of definitive bonds, the corporation may issue interim receipts or temporary bonds, exchangeable for definitive bonds when such bonds have been executed and are available for delivery.
 - (8) No member of the board or of the corporation or any person executing such bonds shall be liable personally on such bonds.
 - (9) All bonds and any interest coupons appertaining thereto issued pursuant to this Section shall be and are hereby made negotiable instruments within the meaning of and for all purposes of the negotiable instruments law of Louisiana, subject only to the provisions of bonds for registration.
 - (10) All bonds and the income therefrom shall be exempt from all taxation by this state or any political subdivision thereof. The bonds shall be legal and authorized investments for governmental entities, banks, savings banks, insurance companies, homestead and building and loan associations, trustees and other fiduciaries and may be used for security for deposits with any officer, board, municipality or other political subdivision of the state of Louisiana, in any case where, by present or future laws, security for deposits is required.
 - (11) Any resolution authorizing the issuance of bonds shall be published one time in the official journal of the corporation; however, it shall not be necessary to publish any exhibits to such resolution if the same are available for public inspection and such fact is stated in the publication. For thirty days after the date of publication, any person in interest may contest the legality of the resolution, any provision of the bonds to be issued pursuant to it, the provisions therein made for the security and payment of the bonds, and the validity of all the provisions and proceedings relating to the authorization and issuance of such bonds. After that time, no person may contest the regularity, formality, legality, or effectiveness of the resolution, any provisions of the bonds to be issued pursuant to it, the provisions for the security and payment of the bonds, and the validity of all other provisions and proceedings relating to their authorization and issuance, for any cause whatever. Thereafter, it shall be conclusively presumed that the bonds are legal and that every legal requirement for the issuance of the bonds has been complied with. No court shall have authority to inquire into any of these matters after the thirty days.
- B. All bonds and notes, including any bonds and notes that may be guaranteed by the federal government, issued by a corporation may be secured by the full faith and credit of the corporation, by the mortgage of any property both real and personal of the corporation, may be payable solely out of its funds held by the tax increment trust fund established in the parish or the municipality wherein the corporation is created the corporation's revenues and receipts generally, or may be payable solely out of the revenues and receipts derived from designated projects and activities of the corporation, or may be payable out of the funds dedicated to the payment of such bonds and notes once received by the tax increment trust fund, all as may be designated in the proceedings of the corporation under which the bonds or notes shall be authorized to be issued. Such bonds and notes may be executed and delivered by the corporation at any time and from time to time, may be in such form and denominations and of such tenor and maturities, may be in

bearer form or in registered form, as to principal and interest or as to principal alone, all as the corporation may determine.

- C. Bonds may be payable in such installments and at such time or times, not exceeding fifty years from the date of issuance thereof, as shall be determined by each corporation.
- D. Notes, or any renewals thereof, may be payable in such installments and at such time or times, not exceeding ten years from the date of the original issue thereof, as shall be determined by each corporation.
- E. Bonds and notes may be payable at such place or places, whether within or without the state, may bear interest at such rate or rates, payable at such time or times and at such place or places, and evidenced in such manner, and may contain such provisions not inconsistent herewith, all as shall be provided in the corporate proceedings under which the bonds or notes shall be authorized to be issued.
- F. Any bonds or notes of a corporation may be sold at such price or prices, at public or private sale, in such manner and from time to time as may be determined by the corporation, and such corporation may pay all expenses, premiums and commissions, and give such discounts in connection with the issuance and sale thereof as it may deem necessary or advantageous.
- G. If deemed advisable by its board of directors, a corporation may retain, in the proceedings under which any of its bonds or notes are authorized to be issued, an option to redeem all or any part thereof as may be set forth in such proceedings and as may be recited on the face of the bonds or notes.
- H. Any monies of a corporation, including proceeds from the sale of any bonds or notes, and revenues, receipts and income from any of its projects, may be invested and reinvested in such obligations, securities and other investments as shall be deemed appropriate by the corporation.
- I. Issuance by a corporation of one or more series of bonds or notes for one or more purposes shall not preclude it from issuing other bonds or notes in connection with the same purpose or any other purpose, but the proceedings whereunder any subsequent bonds or notes may be issued shall recognize and protect any prior pledge or mortgage made for the purpose of securing any prior issue of bonds or notes, unless, in the proceedings authorizing such prior issue, the right is reserved to issue subsequent bonds or notes on a parity with such prior issue.
- J. Each corporation is authorized to provide for the issuance of its bonds or notes for the purpose of refunding any of its bonds or notes then outstanding, including the payment of any redemption premium thereon and any interest, accrued or to accrue to the earliest or subsequent date of redemption, purchase at maturity of such bonds or notes, and, if deemed advisable by the corporation, paying all or any part of the cost of acquiring, constructing, developing, or improving any development project, or the making of any mortgage loan on any development project. The proceeds of any such bonds or notes issued for the purpose of refunding outstanding bonds or notes, may, in the discretion of the corporation, be applied to the purchase or retirement at maturity or redemption of such outstanding bonds or notes either on their earliest or any subsequent redemption date, and may, pending such application, be placed in escrow to be applied to such purchase or retirement at maturity or redemption on such date as may be determined by the corporation. Any such escrowed proceeds, pending such use, may be invested and reinvested in obligations of, or guaranteed by, the United States of America, or in certificates of deposit or time deposits secured in such manner as a corporation shall determine, maturing at

such time or times as shall be appropriate to assure the prompt payment, as to principal, interest and redemption premium, if any, on the outstanding bonds or notes to be so refunded. The interest, income and profits, if any, earned or realized on any such investment may also be applied to the payment of the outstanding bonds or notes to be so refunded. After the terms of the escrow have been fully satisfied and carried out, any balance of such proceeds and interest, income and profits, if any, earned or realized on the investments thereof may be returned to the corporation for use by it in any lawful manner. The portion of the proceeds of any part of the cost of acquiring, constructing, reconstructing, rehabilitating or improving any project, or the making of any mortgage loan on any project may be invested and reinvested in obligations of, or guaranteed by, the United States of America, maturing not later than the time or times when such proceeds will be needed for the purpose of paying all or any part of such cost, or the making of any such mortgage loan. The interest, income and profits, if any, earned or realized on such investments may be applied to the payment of all or any part of such cost, or the making of any such mortgage loan, or may be used by the corporation in any lawful manner. All such bonds or notes shall be issued and secured and shall be subject to the provisions of this Chapter in the same manner and to the same extent as any other bonds or notes issued pursuant to this Chapter.

- K. Bonds and notes which are issued under this Section shall not constitute indebtedness of the state of Louisiana, the parish or municipality, or any public body of the state other than a corporation issuing such bonds and notes; are not subject to any constitutional or statutory debt limitation or restriction; and shall not be subject to the provisions of any other Act, statute or local law relating to the authorization, issuance or sale of bonds and notes.
- L. Bonds and notes which are issued under this Section are declared to be issued for an essential public and governmental purpose and, together with interest thereon, income therefrom and gain upon the sale thereof shall be exempted from all state and local taxes. Notwithstanding the foregoing, in the event that a corporation issues bonds, notes or other obligations guaranteed by the federal government, it is hereby expressly declared that it is not the intention of the legislature to create any condition whereby the interest payable in connection with such federally guaranteed bonds, notes or other obligations shall be or shall be required to be exempt from federal taxation.
- M. In case any of the officials of a corporation whose signatures or facsimile signatures appear on any of such corporation's bonds and notes issued under this Section shall cease to be such officials before delivery of such bonds and notes, such signatures or facsimile signatures, as the case may be, shall, nevertheless, be valid and sufficient for all purposes, the same as if such officials had remained in office until such delivery.
- N. Any provisions of any law to the contrary notwithstanding, any bonds and notes which are issued under this Section shall be fully negotiable.
- O. In any suit, action or proceeding involving the validity or enforceability of any bond or note which is issued under this Section or the security therefor, any such bond or note reciting in substance that it has been issued by a corporation in connection with a tax increment development project as herein defined, or any activity or operation of a corporation under this Chapter, shall be conclusively deemed to have been issued for such purposes; and such tax increment development project or such operation or activity, as the case may be, shall be conclusively deemed to have been initiated, planned, located, undertaken, accomplished and carried out in accordance with the provisions of this Chapter.

- P. Pending the preparation of any definitive bonds hereunder, a corporation may issue its interim certificate or receipts, or its temporary bonds, with or without coupons, exchangeable for such definitive bonds when the latter shall have been executed and are available for delivery.
- Q. Persons, firms, or corporations retained or employed by a corporation as advisers or consultants for the purpose of rendering financial advice and assistance may purchase or participate in the purchase, or in the distribution of its bonds and notes when such bonds and notes are offered at public sale.
- R. No director or other officer of a corporation issuing bonds or notes under this Section and no person executing such bonds or notes shall be liable personally on such bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof.

§8018. Security for bonds or notes

- A. The principal of and interest on any bonds or notes issued by a corporation may be secured as provided in R.S. 47:8017(B) and may be secured by a mortgage or other instrument covering all or any part of any lands or all or any part of a development project, including any additions, improvements, extensions to or enlargements of any development project thereafter made.
- B. Bonds or notes issued for the acquisition, construction, rehabilitation, or improvement of a development project may be secured by an assignment of any lease of or mortgage on such development project and by an assignment of the revenues and receipts derived by a corporation from any such lease or mortgage.
- C. The proceedings under which the bonds or notes are authorized to be issued and any mortgage, lease or other instrument may contain agreements and provisions respecting the maintenance of any development projects covered thereby, the fixing and collection of rents or other revenues therefrom, including monies received in repayment of mortgage loans, and interest thereon, the creation and maintenance of special funds from such rents or other revenues and the rights and remedies available in the event of default, all as a corporation shall deem advisable.
- D. Each pledge, agreement, mortgage or other instrument made for the benefit or security of any of the bonds or notes of a corporation shall continue effective until the principal of and interest on the bonds or notes for the benefit of which the same were made shall have been fully paid, or until provisions shall have been made for such payment in the manner provided in the proceedings under which the same may be authorized.

§8019. Bonds and notes as legal investment

Any parish or any municipality, all other parishes or municipalities, the state, all banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking or investment business, all insurance companies, insurance associations, and other persons carrying on an insurance business; and all executors, administrators, curators, trustees, and other fiduciaries, may legally invest any sinking funds, monies, or other funds belonging to them or within their control in any bonds or notes, issued by a corporation pursuant to this Chapter, including such bonds or notes as shall be secured by an agreement between the issuer and the federal government in which the federal government agrees to guarantee the payment of the full amount of such bonds or notes. It is the purpose of this Section to authorize any persons, political

subdivisions and officers, public or private, to use any funds owned or controlled by them for the purchase of any such bonds, notes or other obligations. Nothing contained in this Section with regard to legal investments shall be construed as relieving any person or persons of any duty of exercising reasonable care in selecting securities.

§8020. Corporation funds; audit; investment

- A. All monies of a corporation from whatever source derived shall be paid to the treasurer of the corporation and shall be deposited forthwith in a bank or banks in the state designated by the corporation. The monies in such account or accounts shall be paid out on checks signed by the treasurer or other agent duly authorized and designated by bylaws of the corporation.
- B. The auditor of the parish or municipality and his legally authorized representatives and an independent auditor designated by the board of directors and his legally authorized representatives are authorized and empowered from time to time to examine the accounts and books of a corporation including its receipts, disbursements, contracts, leases, sinking funds, investments and all other records and papers relating to its financial standing. The parish or municipal auditor shall conduct an examination at least once every three years, provided, however, that the parish or municipal auditor is authorized to accept from a corporation in lieu thereof an independent outside examination of the corporation's books and accounts made at the request of such corporation.
- C. Any monies of a corporation including the proceeds of bonds or notes not required for immediate use may, at the discretion of the corporation, be invested in obligations of the state, the parish or municipality or the United States of America or obligations the principal and interest on which are guaranteed by the state, the parish or municipality or the United States of America.
- D. A corporation shall have power to contract with holders or guarantors of any of its bonds or notes as to the custody, collection, securing, investment and payment of any monies of the corporation, of any monies held in trust or otherwise for the payment of bonds or notes, and to carry out such contract.
- E. Subject to the provisions of any contract with bondholders, noteholders or guarantors a corporation shall prescribe a system of accounts.
- F. The results of all audits of a corporation whether made by the parish or municipal auditor or an independent outside auditing firm shall be submitted to the executive officer within thirty days of the receipt thereof by the corporation.

§8021. Property exempt from taxes and from levy and sale by virtue of an execution

- A. All property of a corporation, including funds owned or held by it for the purposes of this Chapter, shall be exempt from levy and sale by virtue of an execution, and no execution or other judicial process shall issue against the same nor shall judgment against the corporation be a charge or lien upon such property. The provisions of this Section shall not apply to or limit the right of obligees or guarantors to pursue any remedies for the enforcement of any pledge or lien given pursuant to this Chapter by a corporation on its real or personal property, rents, fees, grants or revenues for a tax increment development project.
- B. The property of a corporation acquired or held for the purposes of this Chapter is declared to be public property used for essential public and governmental purposes and such property, or any

interest therein, in the hands of the corporation or any subsidiary thereof, shall be exempt from all taxes of the parish or municipality, the state, or any political subdivision thereof or any other taxing body.

§8022. Assistance by state and local agencies

- A. In order most effectively to carry out its corporate purposes, a corporation shall assist and cooperate with state and local agencies authorized or empowered to review the affairs and accounts of such corporation.
- B. All state and local agencies shall render to a corporation such services within their respective functions, pursuant to a request by such corporation, as may be feasible and not incompatible with the performance of their own duties.
- C. For the purpose of aiding in the planning, undertaking or carrying out of a tax increment development project and related activities authorized by this Chapter, any public body may, upon such terms, with or without consideration as it may determine:
 - (1) Dedicate, sell, donate, grant, devise, convey or lease any of its interest in any property or grant easements, licenses or other rights or privileges therein to a corporation;
 - (2) Incur the entire expense of any public improvements made by such public body in assistance of a corporation;
 - (3) Lend, grant, or contribute funds to a corporation and borrow money and apply for and accept advances, loans, grants, contributions, and any other form of financial assistance from the federal government or other public body or from any other source for the benefit of such corporation;
 - (4) Enter into agreements, which, notwithstanding any provision or rule of law to the contrary, may extend over any period with the federal government or other public body for the purpose of assisting a corporation to carry out its powers under this Chapter;
 - (5) Furnish to a corporation public buildings and public facilities, including parks, playgrounds, recreational, community, educational, water, sewer, or drainage facilities, or any works which it is otherwise empowered to undertake; furnish, dedicate, close, vacate, pave, install, grade, regrade, plan or replan streets, roads, sidewalks, ways or other places; plan or replan, zone or rezone any property of the public body or make exceptions from building regulations; and furnish administrative and other services to such corporation;
 - (6) Do any and all things necessary to aid or cooperate in the planning or carrying out of a tax increment development plan and related activities;
 - (7) If at any time title to or possession of any tax increment development project is held by any public body or governmental agency other than a corporation, the provisions of the agreements referred to in this Section shall inure to the benefit of and may be enforced by such public body or governmental agency.
- D. Any sale, conveyance, lease, or agreement provided for in this Section may be made by a public body without appraisal, public notice, public hearing or competitive bidding.
- E. The parish or municipality may issue and sell its general obligation bonds to forward the purposes of this Section, or for the purpose of aiding in the planning, undertaking or carrying out of a development project and related activities. Nothing in this Section shall limit or otherwise adversely affect any other Section of this Chapter.

§8023. Title of purchase

Any instrument executed by a corporation, purporting to convey any right, title or interest in any property under this Chapter shall be conclusively presumed to have been executed in compliance with the provisions of this Chapter insofar as title or other interest of any bona fide purchasers, lessees or transferees of the property is concerned.

§8024. Annual report

A corporation shall file, with the governing body, on or before March thirty-first of each year, a report of its activities for the preceding calendar year, which report shall include a complete financial statement setting forth its assets, liabilities, receipts and disbursements as of the end of such calendar year. At the time of filing the report, the corporation shall publish in a newspaper of general circulation in the parish or municipality, a notice to the effect that such report has been filed with the governing body and that the report is available for inspection during business hours in the office of the clerk and in the office of the corporation.

§8025. Encouragement of private enterprise

Consistent with the purposes of this Chapter and the needs of the parish or municipality, a corporation shall encourage the full participation of private enterprise in the development and construction of residential, commercial, industrial, institutional, recreational and other facilities, structures, and appurtenances necessary or convenient in connection with a development project and, to afford the maximum opportunity for such full participation, shall formulate such rules and regulations as it deems necessary for the purpose.

§8026. Indemnity of directors, officers, agents and employees

A corporation shall indemnify and hold harmless any director, officer, agent, or employee against any liability or loss arising from the carrying out of the powers set forth in this Chapter other than liability of loss resulting from his own acts of gross negligence or willful misconduct.

§8027. Authority of parishes, municipalities and subdivisions thereof to appropriate and dedicate funds to a tax increment trust fund

Notwithstanding any other provision of general or special law, the purposes for which a parish or municipality, or any agency or subdivision of either, may levy taxes or appropriate funds to a tax increment trust fund include the preservation and enhancement of the tax base of such parish, municipality, subdivision or agency and the furthering of the purposes of such parish, municipality, subdivision, or agency as provided by law.