

Bond Case Briefs

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BOND VALIDATION - LOUISIANA

Town of Sterlington v. East Ouachita Recreation District No. 1

Court of Appeal of Louisiana, Second Circuit - January 27, 2017 - So.3d - 2017 WL 382877 - 51, 480 (La.App. 2 Cir. 1/27/17)

Town and parish residents filed action against parish recreational district, challenging proposed expenditure of ad valorem tax proceeds to secure bonds for constructing and improving facilities.

The Fourth Judicial District Court denied challenge. Plaintiffs appealed.

The Court of Appeal held that:

- District acted within purpose of tax by expending tax proceeds for sports tourism, and
- Tax did not limit use of district's facilities to only members of district.

Parish recreational district acted within purpose of tax dedicated for constructing, improving, maintaining, operating, and equipping district's recreational facilities by expending tax proceeds for sports tourism, including youth travel baseball and softball events. Improvements to facilities would benefit district's residents, and natural progression of expanding and improving facilities would be increased activity and number of people those events brought.

Tax dedicated for constructing, improving, maintaining, operating, and equipping parish recreational district's recreational facilities did not limit use of district's facilities to only members of district. To prevent use of facilities by general public, inside and outside of district, would have been inconsistent with already-sanctioned use of facilities, violate public use nature of facilities, and inject into tax dedication a limitation that was not included within designation.