

# **Bond Case Briefs**

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## **TAX - LOUISIANA**

### **Iberville Parish School Board v. Louisiana State Board of Elementary and Secondary Education**

**Supreme Court of Louisiana - March 13, 2018 - So.3d - 2018 WL 1319404 - 2017-0257 (La. 3/13/18)**

Parish school board, education associations, and individual taxpayers brought action for injunctive and declaratory relief against state, Department of Education (DOE), and Board of Elementary and Secondary Education (BESE) based on assertion that legislative appropriation unconstitutionally allocated funds from the minimum foundation program (MFP) of education to New Type 2 charter schools.

The District Court dismissed plaintiffs' claims. Plaintiffs appealed. The Court of Appeal reversed, rendered, and remanded. Defendants sought certiorari review.

The Supreme Court of Louisiana held that:

- New Type 2 charter schools were "public schools" in the context of state constitution's provision regarding the MFP;
- New Type 2 charter schools, as public schools, were entitled to receive the benefits of state constitution's provision requiring a property tax to fund the local system of public schools; and
- New Type 2 charter schools, as public schools, were entitled to receive the benefits of 31-mill property tax approved by a parish's voters.

New Type 2 charter schools were "public schools" in the context of state constitution's provision mandating the establishment of a formula to determine the cost of a minimum foundation program (MFP) of education in all public elementary and secondary schools and the equitable allocation of MFP funds to parish and city school systems, and thus MFP funds could be allocated to the New Type 2 charter schools without violating the constitutional provision; denying MFP funding because a school was not under the jurisdiction of a parish or city school board could potentially have had adverse consequences to other charter schools, not just New Type 2 charter schools.

New Type 2 charter schools, as public schools, were entitled to receive the benefits of state constitution's provision requiring a property tax to fund the local system of public schools.

New Type 2 charter schools, which were public schools, were entitled to receive the benefits of 31-mill property tax approved by a parish's voters under state constitution's provision allowing for a discretionary property tax to give additional support to public elementary and secondary schools, despite argument that since title to charter schools' facilities vested in private foundations, charter schools' use of the property-tax funds violated the tax's stated restriction that title to improvements constructed from the tax was to vest in the public; tax-dedication language could not be engineered to prevent local tax revenue from being calculated in the minimum foundation program (MFP) of education formula when determining allocations to public schools.

