



LIZ MURRILL  
ATTORNEY GENERAL

STATE OF LOUISIANA  
DEPARTMENT OF JUSTICE  
OFFICE OF THE ATTORNEY GENERAL  
P.O. Box 94005  
BATON ROUGE, LA  
70804-9005

February 22, 2024  
OPINION 23-0100

Mr. Walter E. Dorroh, Jr.  
LaSalle Economic Development District  
P.O. Box 1889  
Jena, LA 71342

84 PARISHES

La. R.S. 6:949      La. R.S. 33:130.201      La. R.S. 39:1211  
La. R.S. 39:1212      La. R.S. 39:1213      La. R.S. 39:1217.1  
La. R.S. 39:1218      La. R.S. 39:1221

The LaSalle Economic Development District is a public entity that is required to hold its funds with a fiscal agent. Each fiscal agent must provide security in the form of an instrument set out in La. R.S. 39:1221(A).

Dear Mr. Dorroh:

You have requested an opinion from our office on behalf of LaSalle Economic Development District (the "LEDD") regarding whether LEDD is a public entity, and, if so, is it required to have its deposits secured by the pledge of securities of a bank where its deposits are located. Additionally, you seek an opinion regarding tax treatment of interest earned by a bank if LEDD entered into a loan with a bank for the purchase of acreage to be included within LEDD's Industrial Park. Your request has been assigned to me for research and reply.

**Is LEDD a public entity?**

The LEDD is a public entity. Act 634 of the 1988 Louisiana Legislative Session created the LEDD as political subdivision and public entity of the state.<sup>1</sup> Its primary purpose is promoting and encouraging industrial development within LaSalle Parish in order to stimulate the economy through commerce, industry, and research and for the utilization and development of natural and human resources of the area by providing job opportunities.<sup>2</sup>

**Is the LEDD required to have its deposits secured by the pledge of securities of a bank where its deposits are located?**

LEDD is considered a "local depositing authority" under La. R.S. 39:1211. Its boundaries consist of the entirety of LaSalle Parish.<sup>3</sup> As of the 2020 Census, LaSalle Parish has a population of less than one hundred thousand. Generally, a depositing authority located in a parish or municipality with a population of less than one hundred thousand is exempt from the provisions of La. R.S. 39:1214 through 1242. However, such a depositing authority must satisfy the security requirements of those Sections and of any other

<sup>1</sup> See also La. R.S. 33:130.201.

<sup>2</sup> La. R.S. 33:130.201(B).

<sup>3</sup> La. R.S. 33:130.201(C).

applicable state or federal laws or regulations.<sup>4</sup> Additionally, all funds except demand deposits under the control of such depositing authorities shall be placed in interest-bearing accounts at an interest rate not less than twenty-five percent below the discount treasury bill rate with regard to treasury bills of comparable maturity on deposit within the parish or municipality, in state banks, national banks, or investments in obligations guaranteed by the federal government.<sup>5</sup>

All funds of local depositing authorities must be deposited daily with a fiscal agent whenever practicable.<sup>6</sup> This fiscal agency may be a stock-owned federally insured depository institution organized under the laws of this or any other state or the United States,<sup>7</sup> a capital stock savings and loan association, or capital stock savings bank.<sup>8</sup> Any bank selected as the fiscal agent of any depositing authority, or any bank with whom a private contract is entered into must give security for these deposits.<sup>9</sup> An exclusive list of acceptable instruments that may be used as securities for a local depositing authority's funds is contained in La. R.S. 39:1221(A).

**How is the interest earned by the fiscal agent treated when it is related to LEDD's purchase of acreage for its industrial park?**

This office cannot opine on the tax treatment of funds of private entities. It would be prudent for the fiscal agent or bank to consult its own tax attorney for guidance.

In consideration of the above, it is the opinion of this office that the LaSalle Economic Development District is a public entity that is required to hold its funds with a fiscal agent. Each fiscal agent must provide security in the form of an instrument set out in La. R.S. 39:1221(A).

We trust that this adequately responds to your request and the issue that you have raised. If our office can be of any further assistance, please do not hesitate to contact us.

With best regards,  
LIZ MURRILL  
ATTORNEY GENERAL

BY:



Brett A. Robinson  
Assistant Attorney General

LM/BAR

---

<sup>4</sup> La. R.S. 39:1217.1.  
<sup>5</sup> La. R.S. 39:1217.1.  
<sup>6</sup> La. R.S. 39:1212.  
<sup>7</sup> La. R.S. 39:1213.  
<sup>8</sup> La. R.S. 6:949.  
<sup>9</sup> La. R.S. 39:1218.