19TH JUDICIAL DISTRICT COURT

PARISH OF EAST BATON ROUGE

STATE OF LOUISIANA

RURAL ROOTS LOUISIANA, ET AL	*	NUMBER: C-776408
	*	
VERSUS	*	SECTION: "25"
	*	
	*	
THE STATE OF LOUISIANA, THROUGH DIVISION OF ADMINISTRATION, TAYLER F. BARRAS, COMMISSIONER, ET AL	* * * *	

MEMORANDUM IN SUPPORT OF PEREMPTORY EXCEPTIONS OF LACK OF SUBJECT MATTER JURISDICTION, NO CAUSE OF ACTION, AND NO RIGHT OF ACTION

MAY IT PLEASE THE COURT:

Defendant, LOUISIANA ECONOMIC DEVELOPMENT, through Susan Bourgeois, Secretary ("Defendant"), respectfully submits this Memorandum in Support of its Peremptory Exceptions of Lack of Subject Matter Jurisdiction, No Cause of Action, and No Right of Action in response to the claims of Plaintiffs, Rural Roots Louisiana, Harry Joseph Sr., and the Louisiana Bucket Brigade (collectively, "Plaintiffs"). In support of these Exceptions, Defendant asserts as follows:

FACTUAL BACKGROUND

On May 9, 2025, the State of Louisiana (the "State"), Louisiana Economic Development ("LED"), and Hyundai Steel Company ("Hyundai") entered into a Cooperative Endeavor Agreement (the "CEA" or "Agreement") pursuant to La. Const. art. VII, § 14(c) and La. R.S. 33:9029.2. *See* Exhibit A to Plaintiffs' Petition. As stated in the CEA, Hyundai seeks to construct, equip, and operate a large-scale industrial steel manufacturing facility in the United States. *Id.* at 1. In exchange for certain incentives provided by the State and LED, Hyundai agreed to construct the facility in Ascension Parish, Louisiana. *Id.* at 2.

To that end, during the 2025 legislative session, the Louisiana State Legislature appropriated significant funds in order to satisfy certain commitments provided in the CEA. On or around December 31, 2025, the State expended $91,251,482.51 of said funds to purchase immovable property located in Ascension Parish, which will serve as the eventual site of Hyundai's steel plant. *See* Exhibit A to Defendant's Peremptory Exceptions.

On April 6, 2026, Plaintiffs filed their *Petition for Declaratory Judgment and Injunctive Relief* (the "Petition") with this Honorable Court. Plaintiffs therein seek: "(i) a declaratory judgment determining whether the CEA...must be subject to public notice and review and approval by the State Bond Commission"; and "(ii) If so, declare the CEA null and void pursuant to the requirements of La. R.S §39:1410.31(B), for having not been subject to public notice and/or review and approval of the State Bond Commission." *See* Plaintiffs' Petition, p. 14.

In response to Plaintiffs' claims, Defendant appears herein to assert the Peremptory Exceptions of Lack of Subject Matter Jurisdiction, No Cause of Action, and No Right of Action.

LACK OF SUBJECT MATTER JURISDICTION (LA. C.C.P. ART. 972(A) (8))

In Louisiana, courts will not decide abstract, hypothetical, or moot controversies, or render advisory opinions with respect to such controversies. *Cat's Meow, Inc. v. City of New Orleans Through Dept. of Finance*, 98-0601, p. 8 (La. 10/20/98), 720 So. 2d 1186, 1193. To avoid deciding abstract, hypothetical or moot questions, our courts require cases submitted for adjudication to be justiciable. *Id.*, citing *St. Charles Parish Sch. Bd. v. GAF Corp.,* 512 So. 2d 1165 (La. 1987). In relation to declaratory relief, "[a] 'justiciable controversy' connotes, in the present sense, an existing actual and substantial dispute, as distinguished from one that is merely hypothetical or abstract, and a dispute which involves the legal relations of the parties who have real adverse interests, and upon which the judgment of the court may effectively operate through a decree of a conclusive character." *Id.*, quoting *Abbott v. Parker*, 259 La. 279, 249 So. 2d 908 (La. 1971). The doctrine of a "justiciable controversy" is "rooted in our Constitution's tripartite distribution of powers into the executive, legislative, and judicial branches of government." *Id.*, citing La. Const. art. II, § 1.

In the absence of a justiciable controversy, declaratory relief is not available to an applicant. *See* La. Code Civ. Proc. art. 1881; *Louisiana Independent Auto Dealers Ass'n v. State,* 295 So. 2d 796 (La. 1974) A declaratory action cannot generally be maintained unless it involves some specific adversary question or controversy asserted by interested parties and based on existing state of facts. *American Waste & Pollution Control Co. v. St. Martin Parish Police Jury*, 672 So. 2d 158, 162 (La. 1993) (emphasis added). An issue is moot when a judgment or decree on that issue has been "deprived of practical significance" or "made abstract or purely academic." *State v. Red River Waterway Comm'n*, 2021-346 (La. App. 3d Cir. 10/27/21), 330 So. 3d 320, 323-24 (citing

Cat's Meow, Inc., 720 So. 2d at 1193). Accordingly, a case is moot when a rendered judgment or decree can serve no useful purpose and give no practical relief or effect. *Id.* If the case is moot, then there is no subject matter on which the judgment of the court can operate. That is, jurisdiction, once established, may abate if the case becomes moot. *Alexander v. City of Baton Rouge/Par. of E. Baton Rouge*, 2006-2206 (La. App. 1st Cir. 11/7/07), 2007 WL 3275905.

Here, as evidenced by Defendant's Exhibit A, Plaintiffs' Petition is not based on an existing set of facts. Plaintiffs fail to account for the fact that (1) the Legislature has already appropriated funds pursuant to the executed CEA, and (2) over $90 million of said funds have already been expended on immovable property for Hyundai's planned steel plant. Specifically, the State executed five separate agreements to purchase land from five separate sellers. *See* Defendant's Exhibit A. Plaintiffs' Petition makes no mention of these occurrences.

Furthermore, the CEA was effectively ratified by the Legislature's appropriation of funds pursuant to its terms. In seeking to invalidate the CEA, Plaintiffs are necessarily seeking to invalidate that appropriation through an impermissible collateral attack.[1] Plaintiffs also necessarily seek to invalidate State's land purchases without making the sellers parties to this litigation.[2] Thus, the implications of Plaintiffs' claims are far wider than simply invalidation of the CEA. Whether the CEA *should have been* reviewed and approved by the State Bond Commission is now a moot and abstract legal issue.

Because Plaintiffs' Petition is not based on the existing state of facts, no justiciable controversy is presented therein. The Court therefore lacks subject matter jurisdiction to decide the moot and abstract issue of whether the CEA *should have been* reviewed and approved by the State Bond Commission. Plaintiffs' Petition should thus be dismissed with prejudice in accordance with La. Code Civ. Proc. art. 934.

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[1] It is well settled that an act of the legislature is presumed valid until shown to be unconstitutional. *Miller v. Hoyle*, 328 So. 2d 757, 760 (La. App. 1st Cir. 1976). A claim for illegality of a legislative action must be specifically pled. *Vallo v. Gayle Oil Co.*, 94-1238 (La. 11/30/94), 646 So. 2d 859, 865-66.

[2] When declaratory relief is sought, all persons shall be made parties who have or claim any interest which would be affected by the declaration, and no declaration shall prejudice the rights of persons not parties to the proceeding. La. Code Civ. Proc. art. 1880.

<u>**NO CAUSE OF ACTION (LA. C.C.P. ART. 927(A)(5))**</u>

The purpose of the exception of no cause of action is to determine the sufficiency in law of a petition, in terms of whether the law extends a remedy to anyone under the petition's factual allegations. *Tobin v. Jindal,* 11-1004 (La. App. 1st Cir. 2/10/12), 91 So. 3d 329, 333. The exception of no cause of action refers to the operative facts which give rise to the Plaintiff's right to judicially assert the action against the Defendant. *Id.* The only issue at the trial of the exception is whether, on the face of the petition, the Plaintiff is legally entitled to the relief sought. *Perere v. La. Television Broadcasting Corp.,* 97-2873 (La. App. 1st Cir. 11/6/98), 721 So. 2d 1075, 1077.

In the present litigation, Plaintiffs' Petition fails to state a cause of action for two principal reasons.

A. THE LAW DOES <u>NOT</u> REQUIRE PUBLIC NOTICE, REVIEW, AND APPROVAL BY THE STATE BOND COMMISSION.

Plaintiffs claim that pursuant to Article VII, § 8(B) of the Louisiana Constitution of 1974, La. R.S. 39:1410.31, and La. R.S. 33:3029.2, public notice, review, and approval by the Louisiana State Bond Commission was required prior to valid execution and perfection of the CEA. *See* Petition, ¶¶ 30-62. Plaintiffs argue that because the CEA did not undergo public notice, review, and approval by the Louisiana State Bond Commission, as allegedly required, the CEA must be declared null and void. *See* Petition, ¶¶ 47, 57, and 62. A plain reading of these provisions, however, reveals that the CEA was not required to undergo public notice, review and approval by the State Bond Commission.

Article VII, § 8 of the Louisiana Constitution of 1974 provides, in relevant part:

> **(B) Approval of Bonds.** No bonds or other obligations shall be issued or sold by the state, directly or through any state board, agency, or commission, or by any political subdivision of the state, unless prior written approval of the bond commission is obtained.
>
> **(C) Contesting State Bonds.** Bonds, notes, certificates, or other evidences of indebtedness of the state (hereafter referred to as "bonds") shall not be invalid because of any irregularity or defect in the proceedings or in the issuance and sale thereof and shall be incontestable in the hands of a bona fide purchaser or holder. The issuing agency, after authorizing the issuance of bonds by resolution, shall publish once in the official journal of the state, as provided by law, a notice of intention to issue the bonds. The notice shall include a description of the bonds and the security therefor. Within thirty days after the 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 securing the bonds, and the validity of all other provisions and proceedings relating to the

> authorization and issuance of the bonds. If no action or proceeding is instituted within the thirty days, no person may contest the validity of the bonds, the provisions of the resolution pursuant to which the bonds were issued, the security of the bonds, or the validity of any other provisions or proceedings relating to their authorization and issuance, and the bonds shall be presumed conclusively to be legal. Thereafter no court shall have authority to inquire into such matters.

Plaintiffs contend that the State's obligations under the CEA constitute "other obligations" as provided in § 8(B) above, thus requiring review and approval by the State Bond Commission. *See* Petition, ¶¶ 30-42. In support of this argument, Plaintiffs rely upon an expansive definition of "debt" from the recent decision of the Louisiana Supreme Court in *23rd Psalm Trucking, L.L.C. v. Madison Par. Police Jury*, 2024-00808 (La. 6/27/25), 413 So. 3d 370. There, the Court considered whether a Police Jury's waste collection contract was null and void for lack of approval by the State Bond Commission. The Court ultimately held that the obligations under the contract constituted "debt" and thus required approval of the State Bond Commission. *Id.* at 380.

Crucially, however, the Court's decision in *23rd Psalm Trucking* was driven by the absence of a non-appropriation clause in the waste collection contract. "[W]e conclude that, to not be considered a debt and thereby be exempt from the Bond Commission consent and approval requirement...the Police Jury's contract...had to contain a non-appropriation clause." *Id.* at 381. "Absent a non-appropriation clause in the contract that would have allowed the Police Jury to terminate the contract for lack of funding without a penalty, the Police Jury did not have authority to incur debt to satisfy its contractual obligation without the consent and approval of the Bond Commission." *Id.*

In the context of government contracts, a non-appropriation clause serves to condition the payment of debt or other obligations on the appropriation of funds by the Legislature. As a result, government debts or obligations accompanied by a non-appropriation clause are not treated as "true" debts or obligations within the meaning of Article VII, § 8(B). In 2019, the Attorney General rendered the following opinion affirming this principle:

> "It appears to be your belief that [Article VII, § 8(B)] requires the CEA and ancillary agreements to be approved by the Bond Commission prior to their being executed. We disagree in that the State is not "issuing" or "selling" any obligations. Rather, it appears that the State is agreeing to pay certain charges for services rendered pursuant to the FOSA and the Thermal Services Agreement. We do not believe that this alone is sufficient to rise to the level of an issuance or sale of obligations necessitating Bond Commission approval. **Moreover, as noted in your request, this office has**

> **generally not found Bond Commission approval to be required for multi-year agreements that contain a non-appropriation or appropriation-dependency clause. See La. Atty. Gen. Op. Nos. 14-0041, 10-0181, 09-0003, and 98-0258.** In this instance, the two agreements providing for the State to make payments...contain non-appropriation clauses [.]...Thus, if the State fails to appropriate dollars to fund these payments, the State can terminate the agreements with no penalty."

See Op. Att'y Gen. No. 19-0093 (Aug. 9, 2019), page 2 (**emphasis added**).

The CEA at issue in this litigation contains the following non-appropriation provisions:

> **6.01 Non-Appropriation.** Certain portions of the State Investment under this Agreement are subject to appropriation by the Legislature of sufficient funds therefor and the availability of funds following appropriation by the Legislature and subject to termination or reduction due to unavailability of funding. LED agrees to request that the executive budget include the funds necessary for such portions of the State Investment and to use its reasonable best efforts to bring about the necessary appropriation by the Legislature, but makes no representations, warranties, covenants, or guarantees, express or implied, that the Legislature will make such appropriations.
>
> ...
>
> **6.03 Termination for Non-Appropriation.** Should the State fail to become current on any of its State Investment due to non-appropriation within a one-year period, the Company at its option may elect to terminate this Agreement. Upon such termination, the Parties shall have no further obligations under this Agreement, however, nothing herein shall be interpreted to terminate obligations it has under any other State Incentive Agreements.

See Exhibit A to Plaintiffs' Petition, p. 33. These provisions condition the State's payment obligations under the CEA on appropriation of funds by the Legislature, and further provide for the termination of the CEA upon the Legislature's failure to make such appropriations. While the CEA does include a "termination penalty," that penalty takes the form of reduced PILOT Payments by Hyundai to Ascension Parish under the "Parish Cooperative Endeavor Agreement." *Id.* No penalty is imposed on the State if the CEA is terminated for non-appropriation.

Due to the non-appropriation clause, the CEA is "exempt from the Bond Commission consent and approval requirements." *23rd Psalm Trucking*, 413 So. 3d at 381. The State's payment obligations under the CEA are <u>not</u> "obligations" within the meaning of Article VII, § 8(B). The requirements imposed by Article VII, § 8(B) and (C) are inapplicable to the CEA and have no effect on the validity thereof.

Plaintiffs also rely upon La. R.S. 39:1410.31, which provides, in relevant part:

> **A.** No agreement, including, but not limited to agreements of lease, lease-purchase or third party financing, shall be entered into by, on behalf of or with the state, directly or through any state board, department, commission, authority or agency, providing for the outlay of funds in excess of one hundred thousand dollars, in any fiscal year, beginning at the expiration of the fiscal year 1977-1978, for capital improvement or expenditure, including, but not limited to, equipment, buildings, land, machinery, renovations, major

> repairs and construction, without prior written approval of the State Bond Commission or its successor.
>
> **B.** Any agreement, including, but not limited to agreements of lease, lease-purchase or third party financing, made in violation of the provisions of this Section shall be null and void, and unenforceable in the courts of this state.
>
> **C.** The provisions of this Section shall not apply to capital outlay projects approved by the legislature pursuant to Article 7, Section 11(B) of the Louisiana Constitution of 1974, or to the expenditure of funds previously appropriated by the legislature, or to any multi-year agreement dealing with movable property containing an appropriation dependency clause which provides for no penalty upon termination or failure to fund.

Plaintiffs contend that the CEA falls within the criteria provided in § 1410.31(A) above, thus requiring State Bond Commission approval. Plaintiffs further contend that because the CEA includes a termination penalty, does not involve the expenditure of funds previously appropriated by the Legislature, and is not an "agreement dealing with movable property," the exemption from State Bond Commission approval provided in § 1410.31(C) is inapplicable. *See* Plaintiffs' Petition, ¶¶ 50-56.

Contrary to Plaintiffs' contentions, the subject CEA constitutes an expenditure of funds previously appropriated by the Legislature. As explained hereinabove, the CEA does not oblige the State to expend funds. Rather, by virtue of the non-appropriation clause, any expenditure of funds pursuant to the CEA necessarily depends upon legislative appropriation. And again, the Legislature has already appropriated funds pursuant to the CEA, and those funds have already been expended according to the CEA's terms. *See* Exhibit A to Defendant's Exceptions. This interpretation is also expressly supported by the same Attorney General Opinion quoted hereinabove:

> "As noted previously, the existence of appropriation dependency clauses in the FOSA and the Thermal Services Agreement makes [§ 1410.31] inapplicable. However, we do not believe that this provision would apply to the CEA and ancillary agreements. In La. Atty. Gen. Op. No. 93-790, our office examined the types of agreements that are subject to La. R.S. 39:1410.31. Based on the rules of statutory construction, our office concluded that the types of agreements contemplated by La. R.S. 39:1410.31(A) were limited to agreements of the type listed therein (lease, lease-purchase, and third party financing)...Simply put, the CEA and ancillary agreements do not appear to be the type of agreements contemplated by La. R.S. 39:1410.31."

See Op. Att'y Gen. No. 19-0093 (Aug. 9, 2019), p. 3. Therefore, the subject CEA is not an "agreement" requiring State Bond Commission approval as contemplated in La. R.S. 39:1410.31.

Finally, Plaintiffs rely upon La. R.S. 33:9029.2 (entitled "Cooperative endeavors involving the state"), which provides, in relevant part:

> **A. (1)** In addition to the general authority to enter into cooperative endeavor agreements under Article VII, Section 14(C) of the Constitution, the state through the commissioner of administration may enter into cooperative endeavor agreements with political subdivisions, the United States or its agencies, or with any public or private association, corporation, or individual to achieve a public purpose, including but not limited to enhancing or maintaining the economic well-being of the state, which agreement may or may not contemplate the issuance of bonds. Such cooperative endeavor agreements may provide for the investment, pledge, use, or deposit of state funds and the guarantee by the state of certain financial obligations, or may otherwise obligate the state financially to achieve the goals set forth therein, subject to appropriation of requisite funds, and only upon a showing of reasonable expectations that such obligation of the state will result in the furtherance of a public function of the state or will result in economic development, the maintenance of existing jobs or will achieve other economic goals that will equal or exceed the value of the obligations of the state required thereby. In the event the state serves as a guarantee or credit enhancement for a private for-profit entity and does not contemplate the issuance of bonds, such cooperative endeavor agreements shall be approved by the State Bond Commission prior to execution. This Section shall apply only to cooperative endeavor agreements wherein the parties expressly cite this Section as authority for such agreement, and this Section shall not be construed as being applicable or otherwise limiting the authority of the state to enter into cooperative endeavor agreements generally. Furthermore, the state, through the commissioner of administration, shall have all the powers of an economic development corporation set forth in this Chapter not inconsistent with the constitution without the need for creation of a corporation.

Plaintiffs argue that § 9029.2(A) requires any CEA involving the State to undergo State Bond Commission review and approval. *See* Plaintiffs' Petition, ¶¶ 59-61. However, Plaintiffs misread the statute. Subsection (A) provides that State CEAs "...may provide for the investment, pledge, use, or deposit of state funds and the guarantee by the state of certain financial obligations, or may otherwise obligate the state financially to achieve the goals set forth therein, *subject to appropriation of requisite funds...*" (*emphasis added*). The next sentence goes on to provide that "[i]n the event the state serves as a guarantee or credit enhancement for a private for-profit entity and does not contemplate the issuance of bonds, such cooperative endeavor agreements shall be approved by the State Bond Commission prior to execution." Plaintiffs erroneously read these sentences together, arguing that even where a CEA between the State and a private party does not contemplate direct payments or debt and the State merely serves as a guarantee or credit enhancement, that CEA must still undergo review and approval by the State Bond Commission. *See* Plaintiffs' Petition, ¶ 60.

These provisions of § 9029.2(A) are separate and distinct. If the legislature intended that all State CEAs undergo State Bond Commission review and approval, it could have said so. Instead, the statute provides a list of financial obligations which may be included in a State cooperative endeavor agreement, so long as those obligations are "subject to appropriation of requisite funds." The statute next provides that *in the event* the State serves as a guarantee or credit enhancement, such cooperative endeavor agreements must be approved by the State Bond Commission. The omission of State Bond Commission approval for obligations subject to appropriation must be viewed as intentional.

The subject CEA at issue in this litigation includes a non-appropriation clause. *See* Exhibit A to Plaintiffs' Petition, p. 33. Nowhere in the CEA does the State obligate itself as a guarantee or credit enhancement of Hyundai. Therefore, review and approval by the State Bond Commission is not required by § 9029.2(A).

In sum, a plain reading of La. Const. art. 7, § 8, La. R.S. 39:1410.31, and La. R.S. 33:9029.2 confirms that review and approval by the State Bond Commission was not required prior to valid execution of the CEA. The State Bond Commission "receives, reviews, and approves or disapproves applications from local and state governmental entities requesting authorization to borrow money, incur debt, or to issue bonds or other evidences of debt, or to levy taxes, or to pledge uncollected taxes or revenues for the payment thereof." *23rd Psalm Trucking*, 413 So. 3d 370, fn. 1. Here, due to the CEA's non-appropriation clause, the State is not incurring any true "debt" or "obligation" for the State Bond Commission to review.

Plaintiffs' claims for nullification of the CEA are grounded upon the alleged failure to obtain review and approval by the State Bond Commission. Because no such review and approval were required, Plaintiffs fail to state a cause of action to nullify the CEA. Plaintiffs' claims should be dismissed with prejudice accordingly.

B. PLAINTIFFS' PETITION FAILS TO FOLLOW THE EXCLUSIVE PROCEDURAL REQUIREMENTS FOR CONTESTING THE VALIDITY OF COOPERATIVE ENDEAVOR AGREEMENTS.

Even if review and approval by the State Bond Commission were required, Plaintiffs' Petition fails to adhere to the exclusive procedural requirements for contesting the validity of a State cooperative endeavor agreement. La. R.S. 33:9031.1 ("Validation of cooperative endeavor agreements") provides, in relevant part:

> "In order to provide a uniform, expeditious, and equitable procedure, with due regard for the public fisc and rights of persons in interest, for the judicial determination of the validity of any cooperative endeavor agreements authorized under this Chapter or generally by Article VII, Section 14(C) of the Louisiana Constitution and the transactions contemplated thereby; the provisions of Part XVI of Chapter 32 of Title 13 of the Louisiana Revised Statutes of 1950,[3] as amended, shall be applicable thereto, and suits to determine the validity of such cooperative endeavor agreements may be filed thereunder in the district court having jurisdiction for any party thereto as though such agreements constituted the issuance of bonds of a governmental unit."

(emphasis added). Thus, in order to provide a "uniform," "expeditious," and "equitable" procedure, judicial determination of the validity of a cooperative endeavor agreement shall follow "Part XVI of Chapter 32 of Title 13 of the Louisiana Revised Statutes of 1950," or La. R.S. 13:5121 *et seq.*

La. R.S. 13:5121 *et seq.* provide the exclusive procedure for challenging the validity of government bonds. By incorporation through La. R.S. 33:9031.1, that same procedure must also govern challenges to the validity of cooperative endeavor agreements. Accordingly, "[a]ll suits, actions and proceedings of whatever nature affecting the validity of [cooperative endeavor agreements] of any governmental unit...shall be brought only in accordance with the provisions of [La. R.S. 13:5121 *et seq.*]." *See* La. R.S. 13:5122.

La. R.S. 13:5125 provides the specific procedure for suits challenging the validity of a cooperative endeavor agreement:

> "Any person, corporation, or association desiring to contest or enjoin the issuance of any such bonds or action taken providing for a new or different source of payment for outstanding bonds shall proceed by motion for judgment brought in the court having jurisdiction as provided in R.S. 13:5123. Upon the filing of any such motion for judgment, the court shall enter an order within five days following such filing requiring the publication of the motion in some

[3] La. R.S. 13:5121 *et seq.*

> newspaper published in or having general circulation in such governmental unit two times within a period of fifteen consecutive calendar days from the date of the issuance of the order specifying the dates for publication thereof... In addition to such publication, the plaintiff must secure personal service at least five days prior to the second publication of the motion for judgment on at least one member of the governing body of the governmental unit whose actions or proceedings are sought to be contested or enjoined, and must cause notification of the motion for judgment to be made upon the State Bond Commission and the attorney general by mailing a certified copy of the motion for judgment by registered or certified mail, with return receipt requested..."

(emphasis added). Section 5125 "...is, by the very explicit terms of the statute, made exclusive, all other acts and statutes on the subject being superseded." *Lege v. Vermilion Parish School Bd.*, (La. App. 3d Cir. 1978), 360 So. 2d 664, 667. The statute "constitute[s] the exclusive procedural method of attacking the [validity of cooperative endeavor agreements]. Any substantial deviation from these procedural requirements makes the filing of the pleading...an absolute nullity." *Cent. Louisiana Bank & Tr. Co. v. Avoyelles Par. Police Jury*, (La. App. 3d Cir. 1986), 493 So. 2d 1249, 1255.

It is clear from the face of Plaintiffs' Petition that the exclusive procedural method for attacking the validity of the CEA, as provided in § 5125, was not followed. First, Plaintiffs filed a "Petition for Declaratory Judgment and Injunctive Relief" under ordinary procedure, *not* the "motion for judgment" explicitly required by the statute. "The procedure set forth in [§ 5125] is radically different from any procedure *via ordinaria*..." *Lege*, 360 So. 2d at 667. Second, nothing indicates that Plaintiffs satisfied the specific publication and notice requirements provided in § 5125. For these reasons, Plaintiffs' Petition substantially deviates from the statute's exclusive procedural requirements and should be considered "an absolute nullity." *Cent. Louisiana Bank & Tr. Co.*, 493 So. 2d at 1255. Plaintiffs' Petition thus fails to state a cause of action to invalidate the CEA and should be dismissed with prejudice accordingly.

NO RIGHT OF ACTION (LA. C.C.P. ART. 927(A)(6))

The peremptory exception of no right of action tests whether the particular plaintiff falls, as a matter of law, within the particular class to which the law grants a remedy for the particular harm alleged. La. Code Civ. Proc. art. 927(A)(5). *Family Resource Group, Inc. v. Louisiana Parent Magazine,* 2000–1986, p. 6 (La. App. 1st Cir. 11/9/01), 818 So. 2d 28, 32. To prevail, the defendant must demonstrate that the plaintiff does not possess an interest in the subject matter of the suit or legal capacity to proceed with the suit. *Jackson v. St. Helena Parish Sheriff's Department,* 2001–2792, p. 2 (La. App. 1st Cir. 11/8/02), 835 So.2 d 842, 844. The foundation of Louisiana's standing requirement is La. Code Civ. Proc. art. 681, which provides that "[e]xcept as otherwise provided by law, an action can be brought only by a person having a real and actual interest which he asserts."

A. La. R.S. 39:1410.31 does not Provide a Private Right of Action to Invalidate the CEA.

Plaintiffs lack a right of action to invalidate the CEA under La. R.S. 39:1410.31. The text of the statute does not provide for any such right. Rather, "the exclusive procedural method of attacking the [validity of cooperative endeavor agreements]" is provided in La. R.S. 13:5125. *Cent. Louisiana Bank & Tr. Co*, 493 So. 2d at 1255. The omission of an express right of action under § 1410.31 must be considered intentional by the Legislature. Plaintiffs thus have no right of action to invalidate the CEA under § 1410.31, and their claims relying on § 1410.31 should be dismissed pursuant to La. Code Civ. Proc. art. 934.

B. Plaintiffs Rural Roots Louisiana and Louisiana Bucket Brigade Lack Standing to Attack the Validity of the CEA.

Except for the reasons stated in Subsection (A) above, Defendant does not contest the standing of Plaintiff Harry Joseph Sr., a resident, property owner, and taxpayer of the State of Louisiana. *See* Plaintiffs' Petition, ¶ 2. Indeed, to show standing in a declaratory judgment action, a Louisiana taxpayer need only show an effect upon the public fisc by the government action in question. *McPherson v. Foster*, 2003-2696, p. 15 (La. App. 1st Cir. 10/29/04), 889 So. 2d 282, 292. Furthermore, because the State of Louisiana is the governmental entity which perfected the subject CEA, all Louisiana taxpayers theoretically have standing to challenge the validity of the CEA. *See* La. R.S. 13:5123 and 13:5125.

However, Defendant does contest the standing of Plaintiffs Rural Roots Louisiana ("Rural Roots") and Louisiana Bucket Brigade ("Bucket Brigade"). An association will have standing to bring a suit on behalf of its members where: (1) the members would otherwise be able to bring the suit in their own right, (2) the interests the association seeks to protect are pertinent to its purpose, and (3) neither the claim asserted by the association nor the relief sought requires the participation of individual members in the lawsuit. *Ramsey River Road Property Owners Association, Inc. v. Reeves,* 396 So. 2d 873, 874 (La. 1981). It must, therefore, first be determined whether the individual members of Rural Roots and Bucket Brigade could have instituted this suit in their individual capacities.

Crucially, neither Rural Roots nor Bucket Brigade asserts a right to pursue this action based upon their individual members' status as Louisiana taxpayers. Rural Roots claims that its "officers and members live in Ascension Parish," and that Rural Roots itself "purchases goods within the district and pays sales taxes to the State of Louisiana." *See* Plaintiffs' Petition, ¶ 1. Bucket Brigade claims to have "staff who work in Ascension Parish," and that Bucket Brigade itself "purchases goods within the state and parish and pays sales taxes to the State of Louisiana." *Id.* at ¶ 3. Both Rural Roots and Bucket Brigade also claim to engage in environmental advocacy. *Id.* at ¶¶ 1, 3.

However, the individual members of Bucket Brigade and Rural Roots do not have standing to pursue their claim to invalidate the CEA based on their interests in environmental advocacy. *McPherson*, 889 So. 2d at 294. Standing to bring such a claim must be based on the individuals' status as Louisiana taxpayers. *See* La. R.S. 13:5123 and 13:5125. Absent an allegation to that effect, Bucket Brigade and Rural Roots have no right of action and their claims should be dismissed pursuant to La. Code Civ. Proc. art. 934.

CONCLUSION

For all of the reasons set forth above, Defendant's Peremptory Exceptions of Lack of Subject Matter Jurisdiction, No Cause of Action, and No Right of Action should be sustained, and Plaintiffs' Petition should be dismissed with prejudice accordingly.

Respectfully submitted,

TAYLOR, PORTER, BROOKS & PHILLIPS L.L.P.

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Attorneys for Louisiana Economic Development

CERTIFICATE OF SERVICE

The undersigned certifies under penalty of perjury under the laws of the State of Louisiana that, on the date given below, he caused to be served a copy of the above and foregoing upon all parties and/or their counsel of record via First Class U.S. mail, postage prepaid, and/or electronic mail.

DATED this 4th day of June, 2026, at Baton Rouge, Louisiana.

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John Stone Campbell III