

2015 Regular Session

HOUSE BILL NO. 756

BY REPRESENTATIVES OURSO AND LAMBERT

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TRANSPORTATION: Provides relative to Grant Anticipation Revenue Vehicles (GARVEE) Bonds

1 AN ACT

2 To amend and reenact R.S. 48:27(A), (B), (C), (D)(1)(a), (E), (H)(12), and (J), relative to
3 Grant Anticipation Revenue Vehicles Bonds; to provide for technical corrections; to
4 provide for the definitions of certain terms; to provide relative to the authority of the
5 State Bond Commission; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 48:27(A), (B), (C), (D)(1)(a), (E), (H)(12), and (J) are hereby
8 amended and reenacted to read as follows:

9 §27. Grant Anticipation Revenue Vehicles

10 A. Short title. This ~~Act~~ Section shall be known and cited as the "Grant
11 Anticipation Revenue Vehicle Act ~~of 2002~~".

12 B. Legislative findings and determinations. (1) The Legislature of
13 Louisiana hereby finds and determines that the rapid growth of the economy of this
14 state has prompted new and ever-increasing uses of public highways, roads, and
15 other transportation infrastructure, and it is critical to the well-being and quality of
16 life of the citizens of this state that the state address, on an accelerated basis, the
17 long-term transportation needs of this state. The Legislature of Louisiana further

1 determines that current transportation funding mechanisms do not provide adequate
2 revenues to keep pace with the increasing demands of the state's transportation
3 system.

4 (2) By utilizing revenue anticipation bonds for the financing of state
5 transportation projects that may be financed, in whole or in part, with federal
6 transportation funds, a significant amount of up-front revenues can be generated for
7 such transportation projects. This will enable the design and construction of
8 transportation projects on an accelerated basis. Utilizing revenue anticipation bonds
9 to finance federal-aid transportation projects and state transportation projects will
10 result in significant cost savings to the state, since such transportation projects can
11 be completed at present day costs and at an accelerated pace.

12 (3) The Legislature of Louisiana further finds and declares that the bonds
13 authorized herein constitute revenue bonds as provided in Article VII, Section 6 of
14 the Constitution of Louisiana and the payment of the bonds with the amounts
15 authorized herein is permitted under Article VII, Section 27 of the Constitution of
16 Louisiana as part of the department's program for state highway construction.

17 (4) It is hereby determined that the issuance of the bonds and the program
18 as herein authorized are in all respects public and governmental purposes for the
19 improvement of the health, safety, welfare, comfort, and security of the people of the
20 state, and that said purposes are public purposes and that the State Bond Commission
21 on behalf of the state of Louisiana will be performing an essential governmental
22 function and meeting a public obligation in the exercise of the powers conferred
23 upon it by this ~~Act~~ Section.

24 C. Definitions. Whenever used in this ~~Act~~ Section, unless a different
25 meaning clearly appears in the context, the following terms shall mean the following:

26 (1) ~~"Act" means this Act.~~

27 ~~(2)~~ "Bonds" means bonds, notes, or other evidences of indebtedness.

28 ~~(3)~~(2) "Constitution" means the ~~constitution of the state, as amended~~
29 Louisiana Constitution of 1974.

1 ~~(4)~~(3) "Department" means the Department of Transportation and
2 Development ~~of the state of Louisiana.~~

3 ~~(5)~~(4) "Federal transportation funds" means funds paid or reimbursed to the
4 department by the United States Department of Transportation including, without
5 limitation, future Federal Highway Administration obligational authority or Federal
6 Highway Administration reimbursement funds and any other monies payable under
7 Title 23 of the United States Code, as amended ~~from time to time.~~

8 ~~(6)~~(5) "Qualified federal-aid transportation project" ~~means any state project~~
9 ~~that may be financed, pursuant to Article VII, Section 27(B) of the Constitution of~~
10 ~~Louisiana, in whole or in part, with federal transportation funds~~ means any project
11 to be constructed, in whole or in part, with monies appropriated out of the
12 Transportation Trust Fund, Article VII, Section 27 of the Constitution of Louisiana,
13 including, but not limited to a new bridge across the Mississippi River connecting
14 Louisiana Highway 1 to Louisiana Highway 30.

15 ~~(7)~~(6) "State" means the state of Louisiana.

16 ~~(8)~~(7) "State Bond Commission" means the State Bond Commission of the
17 state, acting on behalf of the state.

18 ~~(9)~~(8) "State matching funds" means fees, rates, rentals, taxes, tolls, charges,
19 grants, or other receipts or income derived by or in connection with a transportation
20 project or undertaking, other than federal transportation funds, that may be used by
21 the department to pay the costs of any qualified federal-aid transportation projects
22 or state transportation projects.

23 ~~(10)~~(9) "State transportation project" means any state transportation project
24 other than the projects enumerated in Act No. 16 of the 1989 First Extraordinary
25 Session of the Louisiana Legislature, including, but not limited to a new bridge
26 across the Mississippi River connecting Louisiana Highway 1 to Louisiana Highway
27 30.

1 D. Power to issue bonds; repayment; principal amount of bonds.

2 (1)(a) The State Bond Commission, or its successor, on behalf of the state,
3 is hereby authorized to issue bonds for the purpose of financing any qualified
4 federal-aid transportation project or state transportation project, including, but not
5 limited to a new bridge across the Mississippi River connecting Louisiana Highway
6 1 to Louisiana Highway 30, secured by a pledge of and payable from any of the
7 following:

8 * * *

9 E. Resolutions; trust agreement, publication; peremption. The State Bond
10 Commission shall authorize the bonds by a resolution or resolutions adopted by the
11 State Bond Commission. However, the State Bond Commission shall not authorize
12 the issuance of bonds pursuant to this Section unless such bonds and the projects to
13 be funded by them have been previously approved by the ~~Joint Committee on~~
14 ~~Transportation, Highways and Public Works~~ House Committee on Transportation,
15 Highways and Public Works and the Senate Committee on Transportation, Highways
16 and Public Works. The bonds issued pursuant to this Section may also be secured
17 by a trust agreement by and between the State Bond Commission and one or more
18 corporate trustees or fiscal agents which may be any trust company or bank having
19 the powers of a trust company within or outside the state. Such resolution or trust
20 agreement may provide that the trustee bank shall hold the proceeds of the bond
21 pending expenditure for projects as approved by the Joint Legislative Committee on
22 the Budget. The State Bond Commission after authorizing the issuance of bonds by
23 resolution shall publish once in the official journal of the state, as provided by law,
24 a notice of intention to issue the bonds, which notice shall include a description of
25 the bonds and the security therefor. Within thirty days after the publication, any
26 person in interest may contest the legality of the resolution, any provision of the
27 bonds to be issued pursuant to it, the provision securing the bonds, and the validity
28 of all other provisions and proceedings relating to the authorization and issuance of
29 the bonds. If no action or proceeding is instituted within the thirty days, no person

Proposed law adds that "state transportation project" shall also be defined as "including but not limited to a new bridge across the Mississippi River connecting Louisiana Highway 1 to Louisiana Highway 30."

Present law provides for the pledge of certain federal highway funds received by the state as security for the bonds.

Present law provides that such bonds shall be issued by the State Bond Commission but only after the issuance has been approved by the Joint Committee on Transportation, Highways and Public Works. The Joint Legislative Committee on the Budget also approves expenditures of the proceeds held by trustee banks. Further provides that the aggregate amount of principal and interest on all bonds issued under this authority shall not exceed 10% of annual federal highway funds.

Proposed law provides for technical corrections.

(Amends R.S. 48:27(A), (B), (C), (D)(1)(a), (E), (H)(12), and (J))