

RÉSUMÉ DIGEST

ACT 358 (HB 756)

2015 Regular Session

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Existing law authorizes the State Bond Commission to issue Grant Anticipation Revenue (GARVEE) bonds to finance the accelerated construction of certain state transportation projects.

Existing law defines "qualified federal-aid transportation project" as any state project that may be financed, in whole or in part, with federal transportation funds.

Existing law defines "state transportation project" as any state transportation project other than the projects enumerated in the Transportation Infrastructure Model for Economic Development Program (TIMED projects).

New law adds to the definitions of "qualified federal-aid transportation project" and "state transportation project" to include a new bridge across the Mississippi River connecting La. Highway 1 to La. Highway 30 in the definitions of these two types of projects.

Existing law provides for the pledge of certain federal transportation funds received by the state and state matching funds as security for the bonds.

New law requires the federal transportation funds be maintained in a separate fund or account and establishes the fund for the securitization of the bonds outside of the state treasury to be administered by a trustee designated by the State Bond Commission.

Existing law provides that GARVEE bonds shall be authorized by the State Bond Commission and authorizes the bonds to be secured by a trust agreement with corporate trustees or fiscal agents.

New law further authorizes the state treasurer to enter into a collection agreement with the trustee to provide for the collection of federal funds.

Prior law allowed for the use of derivative products to enhance the marketability of the bonds or to minimize interest rate risks.

New law eliminates the use of derivative products.

New law provides that bonds issued shall not be included in the calculation of net state tax supported debt unless their debt service is provided through state appropriated funds.

Effective August 1, 2015.

(Amends R.S. 48:27(A), (B), (C), (D)(1)(a) and (2)(a), (E), (F), (G), (H)(1) and (12), and (J))