

2022 Regular Session

SENATE BILL NO. 172

BY SENATOR REESE

BONDS. Provides relative to costs of issuance and the reporting requirements for bonds approved by the State Bond Commission. (7/1/22)

1 AN ACT

2 To amend and reenact R.S. 39:1405.4(A) and (E), and to repeal R.S. 39:1405.4(H), relative  
3 to the costs of issuance and reporting requirements for bonds approved or sold by the  
4 State Bond Commission; to remove penalty provisions; to provide for an effective  
5 date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 39:1405.4(A) and (E) are hereby amended and reenacted to read as  
8 follows:

9 §1405.4. Costs of issuance and reporting requirements

10 A. Bonds, notes, or other issuances of indebtedness of any issuer required by  
11 the constitution or laws of Louisiana to be sold or approved by the State Bond  
12 Commission, shall not be sold **or approved** unless and until the estimated costs of  
13 issuance have been presented to the issuer in a written report compiled by bond  
14 counsel in a public sale of securities or by bond counsel with the assistance of the  
15 underwriter in a private sale of securities.

16 \* \* \*

17 E. If the total actual costs of issuance exceed the total approved costs of

1 issuance or the actual costs of issuance in any line item exceed the approved costs  
 2 of issuance by a variance of ten percent or more, the issuer shall ~~obtain supplemental~~  
 3 ~~approval of~~ **provide a written explanation to** the State Bond Commission ~~prior to~~  
 4 ~~paying any individual item in excess of the approved costs of issuance.~~ **and may be**  
 5 **required to appear at a meeting thereof for purposes of further explanation.**

6 \* \* \*

7 Section 2. R.S. 39:1405.4(H) is hereby repealed.

8 Section 3. This Act shall become effective on July 1, 2022; if vetoed by the governor  
 9 and subsequently approved by the legislature, this Act shall become effective on the day  
 10 following such approval by the legislature or July 1, 2002, whichever is later.

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The original instrument and the following digest, which constitutes no part  
 of the legislative instrument, were prepared by Martha S. Hess.

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#### DIGEST

SB 172 Original

2022 Regular Session

Reese

Present law requires bond issuers whose bonds are required by present law to be sold or approved by the State Bond Commission, to present a written report of the estimated costs of issuance prior to the sale or approval of the bonds.

Proposed law retains present law and applies proposed law to the approval of bonds.

Present law provides that if the total costs of issuance exceed the total approved costs of issuance or the actual costs of issuance in any line item that exceed the approved costs of issuance by 10% or more, the issuer shall obtain supplemental approval of the State Bond Commission prior to paying any item in excess of the approved costs of issuance.

Proposed law changes present law to remove requirement of obtaining supplemental approval if actual cost of issuance exceed the approved cost of issuance, prior to paying any item in excess of the approved cost of issuance. Proposed law provides that if the total cost of issuance or the actual costs of issuance in any line item exceed the approved costs of issuance by 10% or more, the issuer shall provide a written explanation to the State Bond Commission and may be required to appear at a meeting of the State Bond Commission for further explanation.

Present law provides for penalties for failure to comply with present law. Proposed law repeals this provision.

Effective July 1, 2022.

(Amends R.S. 39:1405.4(A) and (E); repeals R.S. 39:1405.4(H))