
DIGEST

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Champagne

HB No. 913

Abstract: Changes the Municipal Facilities Revolving Loan Fund to the Clean Water State Revolving Fund, provides for the administration of the program, and approval of indebtedness of loan programs.

Present law authorizes the Department of Environmental Quality (hereinafter "DEQ") to administer and operate the Municipal Facilities Revolving Loan Fund. DEQ is authorized to issue, incur, and deliver debt evidenced by bonds, notes or other evidences of indebtedness, and to guarantee the debt of local municipalities, all payable from or secured by sums in the Municipal Facilities Revolving Loan Fund, for the purpose of assisting municipalities in the financing of construction of wastewater treatment facilities. DEQ is further authorized to provide low cost loans to such entities for such purposes. The secretary of DEQ may use an executive order to authorize the issuance, sale, execution, and delivery of bonds and other evidences of indebtedness of the department, which order shall include the maximum principal amount of any such obligation. All sales of bonds shall be subject to approval of, and the sale performed by, the State Bond Commission. Such bonds shall not be secured by the full faith and credit of any source of revenue of the state of Louisiana other than monies from the Municipal Facilities Revolving Loan Fund. Such bonds, pledges and guarantees shall be exempt from all taxation for state, parish, and municipal or other purposes. Such bonds, pledges and guarantees shall constitute revenue bonds within the meaning of Art. VII, Section 6(C) of the Louisiana Constitution, and shall not constitute the incurring of state debt. Payments from the Municipal Facilities Revolving Loan Fund to pay debt service on any bond, guarantee, or pledge to secure any debt shall not be subject to annual appropriation by the legislature.

Present law authorizes DEQ to enter into contracts and agreements as necessary for the administration of the Municipal Facilities Revolving Loan Fund.

Present law authorizes DEQ to issue and deliver refunding bonds and revenue anticipation notes in connection with the Municipal Facilities Revolving Loan Fund.

Proposed law retains present law except changes the name of the fund to the Clean Water State Revolving Loan Fund.

Proposed law increases the maximum term for loans from the fund from 20 years to 30 years and increases the term for planning and preparations for projects from two years to five years.

Proposed law provides that any indebtedness that represents a loan to a political subdivision from

the Clean Water State Revolving Fund or the Drinking Water Revolving Loan Fund must be approved by the State Bond Commission prior to the incurring of such indebtedness, but not for the contents of the notice of intention.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amend R.S. 30:2011(A)(3) and (D)(4) and (23), 2074(A)(4), 2397, R.S. 33:4548.13, and R.S. 40:2824(B)(2) and 2824(B); Adds R.S. 30:2301-2306 and R.S. 39:1022(C); And Repeals R.S. 30:2078-2088)