

**LEGISLATIVE FISCAL OFFICE**

**Fiscal Note**



Fiscal Note On: **HB 370** HLS 11RS 609  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 7, 2011 3:31 PM	<b>Author:</b> SMITH, JANE
<b>Dept./Agy.:</b> Department of Transportation and Development	
<b>Subject:</b> Bond issuance for I-49, secured by unclaimed property	<b>Analyst:</b> Alan M. Boxberger

BONDS/STATE OR SEE FISC NOTE SD EX Page 1 of 1  
 Authorizes the State Bond Commission to issue bonds secured by unclaimed property monies for the completion of I-49

Authorizes the State Bond Commission to issue unclaimed property bonds for the completion of Interstate 49 in Louisiana. The debt service on such bonds shall be paid from the Unclaimed Property Leverage Fund. Changes present law requiring a portion of monies appropriated from the fund to be transferred to the State Bond Commission instead of the Louisiana Transportation Authority to pay the principle, premium, and interest of unclaimed property bonds issued as the bond payments become due and payable. Unclaimed property receipts received each year shall be applied to pay or provide for payment of debt service on bonds. Provides for provisions that may be included in the resolution under which bonds are authorized. Provides that bonds issued shall not be deemed to constitute a pledge of the full faith and credit of the state or of any governmental unit. Provides for method of authorization and issuance of the bonds. Provides that bonds, their transfer, and the income derived therefrom shall be exempt from all taxation by the state or any political subdivision. Provides for the rights and remedies of bondholders.

<b>EXPENDITURES</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

This bill authorizes the State Bond Commission to issue revenue bonds payable from unclaimed property receipts classified to the Unclaimed Property Leverage Fund per R.S. 9:165. This authority currently resides with the Louisiana Transportation Authority (LTA). While the LTA has authority to issue unclaimed property bonds, to date the proceeds deposited into the Unclaimed Property Leverage Fund have been used for projects on I-49 North and South on a cash-basis only. Additionally, LTA does not intend to issue bonds for I-49 projects due to legal restrictions and ownership issues. The projects to be funded for I-49 North and South by bond proceeds, as provided by this bill, are unchanged from those currently planned through cash accumulation.

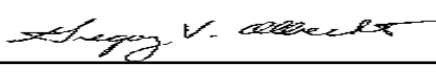
The Unclaimed Property Leverage Fund North Account has a current cash balance of \$22,552,958, obligated to capital outlay projects contained in Act 29 of 2008, Act 20 of 2009 and Act 21 of 2010. Since FY 09, DOTD has transferred a total of \$8,077,243 in cash from unclaimed property proceeds to pay for costs associated with I-49 North. As of July, 2010, the I-220 to Arkansas state line of I-49 North was underfunded by \$163.5 million (approved funds to date between federal and all state sources total to \$459 million). The I-20 to I-220 portion of I-49 North is estimated to cost \$350 million but has not received environmental approvals.

The Unclaimed Property Leverage Fund South Account has a current cash balance of \$30,838,833, obligated to capital outlay projects contained in Act 29 of 2008, Act 20 of 2009 and Act 21 of 2010. Since FY 09, no expenditures were charged to the I-49 South account. As of November, 2010, the I-49 South projects list was underfunded by an estimated \$5.2 billion (approved funds to date between federal and all state sources total to \$180.05 million).

The Treasurer's Office reports that the bill in its current form allows for cost of bond issuance but does not provide funds for associated ongoing maintenance, monitoring and change costs (financial advisor, annual paying agent, trustee and registrar fees, and rating agency maintenance fees). Ongoing maintenance costs could potentially require an indeterminate appropriation from the State General Fund or other sources.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}	 <b>Gregory V. Albrecht</b> Chief Economist
		<input type="checkbox"/> 6.8(F)2 >= \$100,000 Annual SGF Cost {H&S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	