

LEGISLATIVE FISCAL OFFICE

Fiscal Note



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

Date: May 12, 2011 9:12 AM	Author: SMITH, JANE
Dept./Agy.: Department of Transportation and Development	Analyst: Alan M. Boxberger
Subject: Bond issuance for I-49, secured by unclaimed property	

BONDS/STATE EG 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 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 that bonds, their transfer, and the income derived therefrom shall be exempt from all taxation by the state or any political subdivision. These provisions terminate on the later of all bonds deemed paid or the I-49 project is deemed completed by DOTD. These provisions are also terminated on January 1, 2014 if bonds are not sold by December 31, 2013.

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

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

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 bill limits the bond payment schedule to a maximum of \$15 million annually.

REVENUE EXPLANATION

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

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