
DIGEST

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Jane Smith

HB No. 370

Abstract: Authorizes the State Bond Commission to issue unclaimed property bonds for the completion of I-49. Debt service to be paid from the Unclaimed Property Leverage Fund.

Present law provides for the creation of the Unclaimed Property Leverage Fund, hereinafter the "fund" as a special fund in the state treasury for deposit of a portion of the funds derived from the Uniform Unclaimed Property Act. Requires the treasurer to deposit \$15 million each fiscal year into the Unclaimed Property Leverage Fund.

Present law provides for creation of the I-49 North Account and the I-49 South Account as special accounts in the fund. 50% of the monies deposited into the fund shall be deposited into the I-49 North Account, and 50 % of the funds deposited into the fund shall be deposited into the I-49 South Account.

Proposed law retains present law.

Present law requires a portion of the monies appropriated from the funds to be transferred to the Louisiana Transportation Authority (LTA) to pay the principal and interest of unclaimed property bonds issued by the LTA as the bonds become due and payable. Funds from the I-49 North Account shall be used exclusively to match federal funds to be used for the costs for and associated with the construction of Interstate 49 North from Interstate 20 in the city of Shreveport to the La./Ark. border, and funds from the I-49 South Account for Interstate 49 South from Interstate 10 in the city of Lafayette to the West Bank Expressway in the city of New Orleans.

Proposed law changes present law by requiring that instead of transferring a portion of the monies to the LTA, that a portion of the monies be transferred to the State Bond Commission, hereinafter "commission", to pay the principal, premium, and interest of unclaimed property bonds issued by the commission pursuant to proposed law as the bonds become due and payable.

Proposed law authorizes the commission to issue bonds for the I-49 Project and to pledge unclaimed property revenues (Unclaimed Property Fund) for the payment of the principal and interest of the unclaimed property bonds. Unclaimed property bonds shall be payable solely from revenues and bond proceeds. The unclaimed property receipts received from the state treasurer each fiscal year shall be applied to pay or provide for the payment of debt service on bonds and all related costs and expenses associated with issuance of the bonds.

Proposed law prohibits payments securitized by unclaimed property receipts in the Unclaimed

Property Leverage Fund from exceeding \$15 million per year.

Proposed law provides for provisions that may be included in the resolution under which unclaimed property fund bonds are authorized.

Proposed law provides that bonds issued according to proposed law shall not be deemed to constitute a pledge of the full faith and credit of the state or of any governmental unit. Requires that the bonds contain a statement on their face indicating that neither the full faith and credit of the state or any public entity is pledged to the payment of principal of or the interest of the bonds.

Proposed law requires that the bonds be authorized by a resolution and shall be of a series, bear a date, mature at a time, bear interest at a rate, be payable at a time, be in a denomination, be in a form, carry registration and exchangeability privilege, be payable in a medium of payment and at a place or places, be subject to terms of redemption prior to maturity at a price determined by the commission, and be entitled to priority on the revenues as the resolution may provide.

Proposed law requires that the bonds be sold at public sale by competitive bid or negotiated private sale at a price determined by the commission. Prohibits the issuance of bonds from being subject to any limitations, requirements, or conditions contained in any other law. Authorizes bonds to be issued without obtaining the consent of the state or any political subdivision, except that the bonds shall be included in the calculation of net state tax supported debt as defined in present law.

Proposed law provides for a 30-day period after publication of a notice of intent to issue bonds for any person in interest to contest the legality of the resolution and the legality of the bond issue for any cause. After that 30-day period, no one shall have any cause or right of action to contest the legality of the resolution or of the bonds or the security for any cause whatsoever. If no proceeding is begun to contest the validity of the resolution, the bonds, or the security within the 30 days, the provisions of the resolution authorizing the issuance of the bonds shall be conclusively presumed to be legal and shall be incontestable. Proposed law provides for requirements of the notice of intent and for the designation of a newspaper of general circulation to publish the notice of intent, or may utilize electronic media available to the general public.

Proposed law provides that any pledge of revenues or other monies made by the commission shall be valid and binding from the time the pledge is made. The revenues or monies pledged by the commission shall immediately be subject to a lien which shall be valid and binding against all parties having claims of any kind.

Proposed law provides that no member of the commission or any person executing the bonds shall be personally liable for the bonds.

Proposed law provides that bonds, their transfer, and the income derived therefrom shall be exempt from all taxation by the state or any political subdivision.

Proposed law authorizes the commission to provide by resolution for the issuance of refunding

bonds pursuant to present law.

Proposed law provides for the rights and remedies of bondholders.

Proposed law provides that the provisions of proposed law shall become null, void, and of no effect on the date that all bonds issued by the commission are paid or deemed paid in full and are no longer considered outstanding or the I-49 project is deemed completed by DOTD, whichever is later. Further provides that if bonds for this project are not sold by Dec. 31, 2013, the provisions of proposed law with respect to issuance of bonds shall become null, void, and of no effect on Jan. 1, 2014.

(Amends R.S. 9:165(C)(2)(intro. para.) and (a); Adds R.S. 9:165.1)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Added authorization for the commission to pay related costs and expenses associated with issuance of the bonds for I-49 North and I-49 South from unclaimed property receipts.
2. Added limitation that bond payments securitized by unclaimed property receipts in the Unclaimed Property Leverage Fund shall not exceed \$15 million per year.
3. Added provision that proposed law shall become null, void, and of no effect on the date that all bonds issued by the commission are paid or deemed paid in full and are no longer considered outstanding or the I-49 project is deemed completed by DOTD, whichever is later.
4. Added provision that if the bonds for this project are not sold by Dec. 31, 2013, the provisions of proposed law with respect to issuance of bonds shall become null, void, and of no effect on Jan. 1, 2014.