

Regular Session, 2013

SENATE BILL NO. 204

BY SENATORS ADLEY, ALARIO, BROWN, CORTEZ, CROWE, DORSEY-COLOMB, GALLOT, JOHNS, KOSTELKA, MARTINY, MILLS, MORRELL, MORRISH, MURRAY, NEVERS, GARY SMITH AND WHITE AND REPRESENTATIVES ADAMS, ARNOLD, BERTHELOT, STUART BISHOP, BROSSETT, DANAHAY, DIXON, FRANKLIN, GAINES, GISCLAIR, GUINN, HAZEL, JAMES, TERRY LANDRY, LEGER, LEOPOLD, MONTOUCET, MORENO, ORTEGO, PRICE, RICHARD, SMITH AND WHITNEY

BONDS. Provides relative to the issuance of bonds to finance capital improvements for the Louisiana Community and Technical Colleges System. (2/3-CA7s6(F)(1))(gov sig)

1 AN ACT

2 To amend and reenact R.S. 17:3394.3(A) and the introductory paragraph of (B) and to enact
3 R.S. 17:3394.3(C) and R.S. 39:1367(E)(2)(b)(v), relative to the issuance of bonds for
4 the financing of capital improvements and enhancements to certain facilities and
5 properties of colleges within the Louisiana Community and Technical Colleges
6 System; to list the projects to be financed; to require private match funds for such
7 projects; to provide that no state funds shall be appropriated for such bonds or
8 projects until July 1, 2015; to provide that such bonds shall not be included in the
9 definition of net state tax supported debt; to provide for an effective date; and to
10 provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 17:3394.3(A) and the introductory paragraph of (B) are hereby
13 amended and reenacted and R.S. 17:3394.3(C) is hereby enacted to read as follows:

14 §3394.3. Authority of board to execute agreements related to the finance of capital
15 improvements and enhancements

16 **A.(1) Projects contained in this Section may, at the direction of the**
17 **board, be funded through the issuance of bonds, notes, or other evidences of**

1 indebtedness or through financing programs heretofore or hereafter provided
2 by the Louisiana Local Government Environmental Facilities and Community
3 Development Authority, pursuant to R.S. 33:4548.1 et seq., or a public trust
4 duly organized pursuant to R.S. 9:2341 et seq., having for its beneficiary the
5 state, with the approval of the State Bond Commission.

6 (2) Bonds, notes, or other evidences of indebtedness may be issued as
7 serial bonds or as term bonds and shall bear such date or dates, mature at such
8 time or times, not exceeding thirty years from their respective dates, bear
9 interest at such rate or rates, including variable, adjustable, or zero interest
10 rates, be payable at such time or times, be in such denominations, be sold at
11 such price or prices, at public or private negotiated sale, after advertisement as
12 is provided for in R.S. 39:1421 et seq., be in such form, carry such registration
13 and exchangeability privileges, be payable at such place or places, be subject to
14 such terms of redemption, as may be provided in the indenture, trust
15 agreement, or resolution relating to such bonds. Bonds, notes, or other
16 evidences of indebtedness may be sold in such manner and from time to time as
17 may be determined by the issuer and the board to be most beneficial, subject to
18 approval of the State Bond Commission.

19 (3) Projects contained in this Section shall not be required to be included
20 in the annual comprehensive capital budget nor obtain legislative approval as
21 provided in R.S. 39:112(G).

22 (4) Construction projects contained in this Section shall be managed and
23 administered by a nonprofit corporation established for such purposes,
24 regardless of the source of revenues used to fund such construction projects.

25 (5) The board shall exercise its authority granted pursuant to R.S. 17:3361,
26 et seq., as may be necessary to provide for the completion of the projects enumerated
27 in this Section. The board may grant leases of property under its supervision to a
28 nonprofit corporation or to an entity authorized to issue bonds as set forth in
29 Paragraph (A)(1) of this Section for the purpose of financing such projects, and the

1 sum total amount to be financed therefor shall equal no more than the total value of
 2 all projects listed herein, plus an amount equal to fifteen percent of such total,
 3 **together with other requirements including but not limited to costs of issuance,**
 4 **capitalized interest, if any, credit enhancement and related costs.**

5 Notwithstanding any provision of R.S. 17:3361, et seq., to the contrary, the term of
 6 any lease agreement made for purposes of this Part shall not exceed thirty years. No
 7 monies shall be appropriated for ~~these~~ **the purposes set forth in this Part for the**
 8 **projects set forth in Subsection B of this Section** until July 1, 2008. **No monies**
 9 **shall be appropriated for the purposes set forth in this Part for the projects set**
 10 **forth in Subsection C of this Section until July 1, 2015.**

11 B. For the purposes of this Part, the following projects **and the projects set**
 12 **forth in Subsection C of this Section** shall comprise the entirety of public facilities
 13 and projects to be financed under the authorities of this Part and R.S. 17:3361 et seq.
 14 with respect to these projects. The dollar value listed, plus an amount equal to fifteen
 15 percent, **together with other requirements including but not limited to costs of**
 16 **issuance, capitalized interest, if any, credit enhancement and related costs,** is the
 17 maximum amount that may be financed for each of the following projects:

18 * * *

19 **C. The projects set forth in Subsection B of this Section and the**
 20 **following projects shall comprise the entirety of public facilities and projects to**
 21 **be financed under the authorities of this Part and R.S. 17:3361 et seq., with**
 22 **respect to these projects. Each project set forth below shall require a no less**
 23 **than twelve percent private match. No project shall be financed until all private**
 24 **funds are available for that project. The dollar value listed for each project,**
 25 **plus an amount equal to fifteen percent, together with other requirements**
 26 **including but not limited to costs of issuance, capitalized interest, if any, credit**
 27 **enhancement and related costs, is the maximum amount that may be financed**
 28 **for each of the following projects:**

29 **WORKFORCE AND TECHNICAL EDUCATION**

1	<u>(a)</u>	<u>Baton Rouge Community College,</u>	
2		<u>East Baton Rouge Parish</u>	
3		<u>New Workforce Training Center</u>	<u>\$ 8,100,000</u>
4			
5	<u>(b)</u>	<u>Baton Rouge Community College,</u>	
6		<u>Smiley Heights Campus</u>	
7		<u>East Baton Rouge Parish</u>	
8		<u>Technology Center</u>	<u>\$10,200,000</u>
9			
10	<u>(c)</u>	<u>Bossier Parish Community College,</u>	
11		<u>Bossier City Campus, Bossier Parish</u>	
12		<u>Science, Technology, Engineering and</u>	
13		<u>Math (STEM) Building</u>	<u>\$18,500,000</u>
14			
15	<u>(d)</u>	<u>Capital Area Technical College, Baton</u>	
16		<u>Rouge Campus, East Baton Rouge Parish</u>	
17		<u>Welding Center</u>	<u>\$ 3,330,000</u>
18			
19	<u>(e)</u>	<u>Central Louisiana Technical Community College,</u>	
20		<u>Alexandria Campus, Rapides Parish</u>	
21		<u>Workforce Industrial Training Campus</u>	<u>\$19,000,000</u>
22			
23	<u>(f)</u>	<u>Delgado Community College, Charity School</u>	
24		<u>of Nursing, Orleans Parish</u>	
25		<u>New Nursing and Allied Training Building</u>	<u>\$34,000,000</u>
26			
27	<u>(g)</u>	<u>Delgado Community College, River City Campus,</u>	
28		<u>West Bank, Jefferson Parish</u>	
29		<u>Training Center for Transportation, Maritime,</u>	
30		<u>Engineering</u>	<u>\$14,000,000</u>
31			
32	<u>(h)</u>	<u>Delgado Community College, New Orleans</u>	
33		<u>Orleans Parish</u>	
34		<u>Center for Hospitality and Culinary</u>	<u>\$ 9,000,000</u>
35			
36	<u>(i)</u>	<u>Delgado Community College, Westbank Campus,</u>	
37		<u>Orleans Parish</u>	
38		<u>Advanced Technology Center</u>	<u>\$12,000,000</u>
39			
40	<u>(j)</u>	<u>Delgado Community College, Blair Campus,</u>	
41		<u>Metairie, Jefferson Parish</u>	
42		<u>Advanced Workforce Training</u>	<u>\$ 7,200,000</u>
43			
44	<u>(k)</u>	<u>Delgado Community College,</u>	
45		<u>Avondale, Jefferson Parish</u>	
46		<u>Advanced Manufacturing Center of Excellence</u>	<u>\$10,000,000</u>
47			
48	<u>(l)</u>	<u>Louisiana Delta Community College,</u>	
49		<u>Winnsboro, Winn Parish</u>	
50		<u>Technology and Career Program Training Center</u>	<u>\$ 4,590,000</u>
51			
52	<u>(m)</u>	<u>Louisiana Delta Community College,</u>	
53		<u>Jonesboro, Jackson Parish</u>	
54		<u>Welding, Vehicle Operation and Industrial</u>	
55		<u>Training Center</u>	<u>\$ 2,700,000</u>
56			
57	<u>(n)</u>	<u>Louisiana Delta Community College,</u>	
58		<u>Ruston, Lincoln Parish</u>	

1	<u>Nursing, Welding, Workforce Training Campus</u>	<u>\$ 8,100,000</u>
2		
3	(o) <u>Louisiana Delta Community College,</u>	
4	<u>Monroe, Ouachita Parish</u>	
5	<u>Technology Center</u>	<u>\$ 7,200,000</u>
6		
7	(p) <u>Louisiana Delta Community College,</u>	
8	<u>Tallulah, Madison Parish</u>	
9	<u>Upgrade/Advanced Workforce Training Campus</u>	<u>\$ 2,500,000</u>
10		
11	(q) <u>Northshore Technical Community College,</u>	
12	<u>Lacombe, St. Tammany Parish</u>	
13	<u>Training Center for Industrial Technologies</u>	<u>\$ 9,000,000</u>
14		
15	(r) <u>Northshore Technical Community College,</u>	
16	<u>Livingston Parish</u>	
17	<u>Community College Workforce Training Center</u>	<u>\$ 5,130,000</u>
18		
19	(s) <u>Northwest Louisiana Technical College,</u>	
20	<u>Minden Campus, Webster Parish</u>	
21	<u>Workforce Development Center</u>	<u>\$ 2,250,000</u>
22		
23	(t) <u>River Parishes Community College,</u>	
24	<u>Gonzales, Ascension Parish</u>	
25	<u>Center for Advance Technology</u>	<u>\$ 8,100,000</u>
26		
27	(u) <u>South Central Louisiana Technical College,</u>	
28	<u>River Parishes Campus, Reserve,</u>	
29	<u>St. John the Baptist Parish</u>	
30	<u>New PTech Building</u>	<u>\$ 3,888,000</u>
31		
32	(v) <u>South Central Louisiana Technical College,</u>	
33	<u>River Parishes Campus, Reserve, St. John the Baptist Parish</u>	
34	<u>Center for Advancement of Technical Education</u>	
35	<u>Building</u>	<u>\$ 3,712,500</u>
36		
37	(w) <u>South Central Louisiana Technical College,</u>	
38	<u>Young Memorial Campus, Morgan City,</u>	
39	<u>St. Mary Parish</u>	
40	<u>Marine Operations and Industrial Safety</u>	
41	<u>Training Center</u>	<u>\$ 3,330,000</u>
42		
43	(x) <u>South Louisiana Community College,</u>	
44	<u>Lafayette Campus, Lafayette Parish</u>	
45	<u>Allied Health and Science Training</u>	
46	<u>Program Building</u>	<u>\$15,000,000</u>
47		
48	(y) <u>SOWELA Technical Community College,</u>	
49	<u>Morgan Smith Campus, Jennings,</u>	
50	<u>Jefferson Davis Parish</u>	
51	<u>Automotive, Welding, Nursing and Industrial</u>	
52	<u>Programs Campus</u>	<u>\$ 9,000,000</u>
53		
54	<u>STUDENT SERVICES, COUNSELING AND ADVISING</u>	
55		
56	(z) <u>L.E. Fletcher Technical Community College,</u>	
57	<u>Schriever, Terrebonne Parish</u>	
58	<u>One Stop Shop for All Student Activities</u>	<u>\$ 4,500,000</u>

1 **(aa) Nunez Community College,**
 2 **Chalmette, St. Bernard Parish**
 3 **Student Testing and Career Counseling Center** **\$ 6,480,000**

4
 5 **(bb) SOWELA Technical Community College,**
 6 **Main Campus, Lake Charles, Calcasieu Parish**
 7 **One Stop Shop for Student Programs and Services** **\$ 7,200,000**

8
 9 **SAFETY, SECURITY AND INFRASTRUCTURE**

10
 11 **(cc) Capital Area Technical College Campus,**
 12 **Baton Rouge, East Baton Rouge Parish**
 13 **Secured Parking Building for Students** **\$ 3,600,000**

14
 15 **(3) The amounts set forth in this Subsection are estimates and the**
 16 **funding for any project may be increased to meet any contingencies by an**
 17 **amount not to exceed fifteen percent of the amounts set forth in this Subsection.**

18 Section 2. R.S. 39:1367(E)(2)(b)(v) is hereby enacted to read as follows:

19 §1367. State debt; limitations

20 * * *

21 E. As used in this Section, the following terms shall have the following
 22 meanings ascribed to them unless the context clearly indicates otherwise:

23 * * *

24 (2) * * *

25 (b) "Net state tax supported debt" shall not mean:

26 * * *

27 **(v) Any bond, note, or other evidence of indebtedness issued for the**
 28 **purpose of financing the projects set forth in R.S. 17:3394.3(C) or any bonds**
 29 **issued to refund such bonds, notes, or evidence of indebtedness.**

30 Section 3. This Act shall become effective upon signature by the governor or, if not
 31 signed by the governor, upon expiration of the time for bills to become law without signature
 32 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 33 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 34 effective on the day following such approval.

The original instrument was prepared by Martha Hess. The following digest, which does not constitute a part of the legislative instrument, was prepared by J. Ashley Mitchell.

DIGEST

Adley

SB No. 204

Proposed law is the second phase of a program to improve and enhance the institutions of the Louisiana Community and Technical College System.

Proposed law authorizes, with the approval of the State Board Commission, the issuance of bonds, notes, or other evidences of indebtedness, or through financing programs heretofore or hereafter provided by the Louisiana Government Environmental Facilities and Community Development Authority or a public trust duly organized pursuant to R.S. 9:2341 et seq.

Proposed law provides that the bonds, notes, or other evidences of indebtedness may be issued as serial or term bonds and shall bear such date or dates, mature at such time or times, not exceeding 30 years from their respective dates, bear interest at such rate or rates, including variable, adjustable, or zero interest rates, be payable at such time or times, be in such denominations, be sold at such price or prices, at public or private negotiated sale, after advertisement as is provided for in R.S. 39:1421 et seq., be in such form, carry such registration and exchangeability privileges, be payable at such place or places, be subject to such terms of redemption, as may be provided in the indenture, trust agreement, or resolution relating to such bonds. Bonds may be sold in such manner and from time to time as may be determined by the issuer and the board to be most beneficial, subject to approval of the State Bond Commission.

Proposed law provides that projects contained in proposed law shall not be required to be included in the annual comprehensive capital budget nor obtain legislative approval as required in present law.

Proposed law provides that construction projects shall be managed and administered by a nonprofit corporation established for such purposes, regardless of the source of revenues used to fund such construction projects.

Proposed law provides that the sum total amount to be financed shall equal no more than the total value of all projects listed in proposed law, plus an amount equal to 15% of such total, together with other requirements including but not limited to costs of issuance, capitalized interest, if any, credit enhancement and related costs. Proposed law provides that no monies shall be appropriated for new projects and the purposes set forth in proposed law until July 1, 2015.

Proposed law provides that projects listed in proposed law which are to be financed through the sale of bonds shall require a no less than 12% private match. No project shall be funded until all private funds are available for that project. The dollar value listed in proposed law for each project, plus an amount equal to 15%, together with other requirements including but not limited to costs of issuance, capitalized interest, if any, credit enhancement and related costs, is the maximum amount that may be financed for each of the projects.

Present law limits the issuance of net state tax supported debt and prohibits the issuance of such debt if the amount of the debt service exceeds 6% of the estimate of money to be received by the state general fund and dedicated funds for each respective fiscal year as contained in the official forecast adopted by the Revenue Estimating Conference at its first meeting after the beginning of each fiscal year.

Present law defines "net state tax supported debt" to mean all of the following debt

obligations issued by the state or any entity in the state for which the state is legally obligated to make debt service payments, either directly or indirectly: (i) general obligation bonds secured by the full faith and credit of the state; (ii) debt secured by capital leases of immovable property payable by the state or annual appropriations of the state; (iii) debt secured by statewide tax revenues or statewide special assessments; (iv) any funds advanced by a political subdivision in accordance with R.S. 47:820.2 (TIMED fund); and (v) bonds secured by self-supported revenues which in the first instance may not be sufficient to pay debt service and will then draw on the full faith and credit of the state.

Present law defines "net state tax supported debt" to not mean: (i) any obligations owed by the state pursuant to the State Employment Security Law; (ii) cash flow borrowings payable from revenue attributable to one fiscal year; (iii) any bond or note, including refunding bonds or notes, issued by the state pursuant to Act 41 of the 2006 1st E.S. (which authorized the issuance of state debt to assist political subdivisions ravaged by Hurricanes Katrina and Rita); (iv) any bond or other evidence of indebtedness issued pursuant to R.S. 23:1532.1 pertaining to bonds secured by a special assessment on employers to finance the outstanding principal amount advanced to the state from the federal account of the Unemployment Trust Fund.

Proposed law provides that the definition of "net state tax supported debt" for purposes of the state's debt limit does not include bonds, notes, or other evidences of indebtedness issued for the purposes set forth in proposed law or any bonds issued to refund such bonds, notes, or other evidences of indebtedness.

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

(Amends R.S. 17:3394.3(A) and (B) (intro para); adds R.S. 17:3394.3(C) and R.S. 39:1367(E)(2)(b)(v))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Adds four projects to the list of projects to be financed.
2. Deletes provision prohibiting changes to the project list.
3. Provides that amount of bond financing may include other requirements including but not limited to costs of issuance, capitalized interest, if any, credit enhancement and related costs.

Committee Amendments Proposed by Senate Committee on Finance to the engrossed bill

1. Changes the private match for each project from ten percent to no less than twelve percent.
2. Removes private match cap of \$1,000,000 per project.

Senate Floor Amendments to reengrossed bill

1. Makes Legislative Bureau technical changes.

2. Adds a public trust duly organized pursuant to present law to the list of entities who can fund certain projects.