

2016 Regular Session

SENATE BILL NO. 433

BY SENATOR MORRELL

BONDS. Provides for the activities and responsibilities of the State Bond Commission.  
(8/1/16)

1 AN ACT

2 To amend and reenact R.S. 39:1401(C), 1405.4(E) and (F), 1410.60(A) and R.S.

3 42:19(A)(1)(b)(ii)(cc), to enact R.S. 39:1405.5, and to repeal R.S. 47:1405.4(G) and

4 (H), relative to the State Bond Commission; to provide for selection of the chairman

5 of the State Bond Commission; to provide relative to reporting requirements; to

6 provide for approval guidelines; to provide relative to certain voting requirements;

7 and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 39:1401(C), 1405.4(E) and (F), and 1410.60(A) are hereby amended  
10 and reenacted and R.S. 39:1405.5 is enacted to read as follows:

11 §1401. State Bond Commission

12 \* \* \*

13 C. The ~~state treasurer shall serve as~~ chairman of the State Bond Commission

14 shall be elected by a majority vote of the members of the State Bond

15 Commission, and the State Bond Commission may select such other officers as the

16 commission may deem necessary.

17 \* \* \*

1 §1405.4. Costs of issuance and reporting requirements

2 \* \* \*

3 ~~E. If the total actual costs of issuance exceed the total approved costs of~~  
4 ~~issuance or the actual costs of issuance in any line item exceed the approved costs~~  
5 ~~of issuance by a variance of ten percent or more, the issuer shall obtain supplemental~~  
6 ~~approval of the State Bond Commission prior to paying any individual item in excess~~  
7 ~~of the approved costs of issuance.~~

8 ~~F. In addition to the other reporting requirements set forth in this Section, any~~  
9 ~~fees which are associated with the bonds and which are incurred after the forty-five~~  
10 ~~day period following issuance and delivery of the bonds, including but not limited~~  
11 ~~to legal, consulting, and financial advisory fees, and fees associated with credit~~  
12 ~~enhancement or derivative projects obtained post-closing, shall be estimated and~~  
13 ~~presented to the issuer and the State Bond Commission. A final report of the actual~~  
14 ~~fees paid shall be furnished to the issuer and the State Bond Commission within~~  
15 ~~forty-five days of the payment.~~

16 ~~G.~~E. A copy of any report required by this Section shall be filed in the  
17 official records of the issuer.

18 ~~H.~~F. Any person or any officer, agent, representative, or employee of any  
19 issuer of bonds required by the constitution or laws of Louisiana to be sold or  
20 approved by the State Bond Commission, who violates this Section, or who counsels,  
21 aids, or abets the violation thereof, or who participates with others, or who engages  
22 or attempts to engage, in the payment or receipt of any fee, without filing the reports  
23 required herein, shall be fined not less than two times the fee received in violation  
24 of this Section, which penalty shall be paid to the State Bond Commission.

25 **§1405.5. Prohibition against soliciting or accepting contributions**

26 **The chairman of the State Bond Commission shall be prohibited from**  
27 **soliciting or receiving any campaign contribution, loans, or transfers of funds**  
28 **from any bond or other counsel, financial adviser, paying agent, registrar, or**  
29 **other professional or persons retained in connection with or requesting the**

1 **authority to incur debt or levy taxes from the date of the application being filed**  
2 **until a period of one month after the State Bond Commission has, at a regular**  
3 **or special meeting, approved or disapproved such matter.**

4 \* \* \*

5 §1410.60. Approval of application; incurring indebtedness

6 A.**(1)** No parish, municipality, public board, political or public corporation,  
7 subdivision, or taxing district, and no road or subroad district, school district,  
8 sewerage district, drainage or subdrainage district, levee district, waterworks or  
9 subwaterworks district, irrigation district, road lighting district, harbor and terminal  
10 district, or any other political subdivision, taxing district, political or public  
11 corporation, created under or by the constitution and laws of the state shall have  
12 authority to borrow money, incur debt, or to issue bonds, or other evidences of debt,  
13 or to levy taxes, or to pledge uncollected taxes or revenues for the payment thereof,  
14 where they are authorized by the constitution or laws of the state so to do, without  
15 the consent and approval of the State Bond Commission.

16 **(2) In order to facilitate the review process for approval of applications,**  
17 **the State Bond Commission shall adopt rules and regulations to provide for a**  
18 **review procedure that is limited strictly to determining the legality and the**  
19 **financial feasibility of the requested measure.**

20 \* \* \*

21 Section 2. R.S. 42:19(A)(1)(b)(ii)(cc) is hereby amended and reenacted to read as  
22 follows:

23 §19. Notice of meetings

24 A.(1) \* \* \*

25 (b)(i) \* \* \*

26 (ii)(aa) \* \* \*

27 (cc) Upon unanimous approval of the members present at a meeting of a  
28 public body, the public body may take up a matter not on the agenda. **However, a**  
29 **majority of the members present at a meeting of the State Bond Commission**



Proposed law provides that in order to facilitate the review process for approval of applications the State Bond Commission shall adopt rules and regulations to provide for a review procedure that is limited strictly to determine the legality and the financial feasibility of the requested measure.

Present law provides that upon unanimous approval of the members present at a meeting of a public body, the public body may take up a matter not on the agenda.

Proposed law retains present law but provides an exception for the State Bond Commission by allowing a majority of the members present at a meeting of the commission to approve the commission taking up a matter not on the agenda.

Effective August 1, 2016.

(Amends R.S. 39:1401(C), 1405.4(E) and (F), 1410.60 (A) and R.S. 42:19(A)(1)(b)(ii)(cc); adds R.S. 39:1405.5; repeals R.S. 47:1405.4(G) and (H))