

First Extraordinary Session, 2005

SENATE BILL NO. 4

BY SENATORS SCHEDLER AND DUPRE

FISCAL CONTROLS. Provides for an expedited review procedure in the State Bond Commission for certain financial documents related to local government debt and prohibits the state from guaranteeing such debt. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 39:1410.60(A), relative to certain governmental entities; to
3 provide for an extension of time for preparation of certain financial documents in the
4 event of a gubernatorial declared disaster or emergency; and to provide for related
5 matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 39:1410.60(A) is hereby amended and reenacted to read as follows:

8 §1410.60. Approval of application; incurring indebtedness

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

1 the consent and approval of the State Bond Commission.

2 (2)(a) In order to facilitate the review process for approval of loans
 3 made by such entities as the result of a gubernatorial declared disaster or
 4 emergency, the State Bond Commission shall provide for an expedited review
 5 procedure which shall include an extension of time for the preparation and
 6 submission of certain financial documents by such entities.

7 (b) No money to be borrowed, debt to be incurred, bonds or other
 8 evidences of debt to be issued which are reviewed under the expedited
 9 procedure provided for in this Paragraph or pursuant to any other provision
 10 of this Part shall in any way make the state a guarantor of, nor pledge the full
 11 faith and credit of the state to, nor make the state liable in any way for any
 12 payment of, such money borrowed, debt incurred, bonds or other evidences of
 13 debt reviewed.

14 * * *

15 Section 2. This Act shall become effective upon signature by the governor or, if not
 16 signed by the governor, upon expiration of the time for bills to become law without signature
 17 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 18 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 19 effective on the day following such approval.

The original instrument was prepared by Linda Nugent. The following digest,
 which does not constitute a part of the legislative instrument, was prepared
 by Riley Boudreaux.

DIGEST

Schedler (SB 4)

Present law requires local governments to obtain State Bond Commission approval prior to borrowing money, incurring debt, and issuing bonds.

Proposed law requires the State Bond Commission to provide for an expedited review procedure, including an extension of time for preparation of certain financial documents, for approval of loans made as a result of a gubernatorial declared disaster or emergency.

Proposed law prohibits local debt which is reviewed under the expedited procedure or pursuant to any other provision of present law to in any way make the state a guarantor of, nor pledger of the full faith and credit of the state to, nor liable in any way for any payment of, such debt reviewed.

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

(Amends R.S. 39:1410.60(A))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill.

1. Prohibits guaranteeing local debt.