
DIGEST

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Wesley Bishop

HB No. 1170

Abstract: Authorizes the Board of Supervisors of Southern University and Agricultural and Mechanical College to finance certain capital improvements through issuance of bonds.

Proposed law authorizes the Board of Supervisors of Southern University and Agricultural and Mechanical College to finance certain capital improvements through issuance of bonds, notes, or other evidences of indebtedness or through financing programs provided by present law with the approval of the State Bond Commission (SBC).

Proposed law provides relative to specific requirements for the issuance of bonds, interest rates that apply, and other limitations in which the bonds must comply. Prohibits the issuance of bonds which mature more than 30 years from their respective dates. Proposed law authorizes the bonds to 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 SBC.

Proposed law exempts the projects enumerated in proposed law from being included in the annual comprehensive capital budget and from the present law requirement that the project obtain legislative approval.

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

Proposed law authorizes the board to grant leases of property under its supervision to a nonprofit corporation or to an entity authorized to issue bonds for the purpose of financing such projects. Further provides that the 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 the total, together with other items such as the costs of issuance, capitalized interest, credit enhancement, and related costs.

Proposed law prohibits the term of any lease agreement made for purposes of proposed law from exceeding 30 years. Further prohibits monies from being appropriated for the construction of projects pursuant to proposed law until July 1, 2016.

Proposed law requires a private match of no less than 12% and prohibits the financing of these projects until all private funds are available. Proposed law provides that the maximum amount of financing for the projects shall be the dollar value listed in proposed law for each project, plus an amount equal to 15%, together with other items such as the costs of issuance, capitalized

interest, credit enhancement, and related costs for each of the following projects:

SOUTHERN UNIVERSITY - BATON ROUGE

Workforce Training and Technology Center	\$7,000,000
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SOUTHERN UNIVERSITY - NEW ORLEANS

Lake Campus Student Life Center Building	\$9,000,000
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SOUTHERN UNIVERSITY - SHREVEPORT

Workforce Training and Technology Center	\$7,000,000
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Proposed law authorizes the amount provided to be increased to meet any contingencies by an amount not to exceed 15%.

(Adds R.S. 17:1856 and R.S. 39:1367(E)(2)(b)(vi))