

GREEN SHEET REDIGEST

HB 497

2019 Regular Session

Abramson

CAPITAL OUTLAY: Prohibits the disposal or sale of projects funded through the capital outlay budget under certain circumstances.

DIGEST

Proposed law limits the owner of a project that received GOB funding through the capital outlay budget from selling or otherwise disposing of the project while repayment of the bonds, including debt service, is outstanding without the prior approval of the commissioner of administration and the House Committee on Ways and Means and Senate Committee on Revenue and Fiscal Affairs, hereinafter "legislative committees". Both legislative committees must approve the sale or disposal of the property by a majority vote.

Proposed law requires the property owner to obtain an opinion from state bond counsel that the sale will not affect the tax exempt status of the bonds at the owner's cost and further requires the property owner meet any conditions or requirements prior to selling or disposing of the project.

Effective July 1, 2019, and applicable for all projects included in the capital outlay budget for fiscal years commencing on and after July 1, 2019.

(Adds R.S. 39:125.1)

Summary of Amendments Adopted by House

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

1. Change proposed law from a prohibition to an authorization for the owner of a project that received GOB funding through the capital outlay budget to sell or dispose of the project while repayment of the bonds are outstanding. The authority to dispose or sell the property requires prior approval of the commissioner of administration and the legislative committees.
2. Require the property owner to meet any conditions or requirements prior to disposing of the project.
3. Remove the requirement of the property owner to repay the total amount of funding the project received through the capital outlay budget and the requirement to pay a penalty.

Summary of Amendments Adopted by Senate

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

1. Add a requirement that the property owner obtain an opinion from current bond counsel to the state that the sale will not affect the tax exempt status of the bonds at the owner's cost.