The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

DIGEST

SB Engrossed 2022 Regular Session Cortez

Present law provides that the taxes collected from the taxable sale, use, or lease of motor vehicles, after satisfying the requirements of the Bond Security and Redemption Fund, shall be deposited into the Construction Subfund (subfund) of the Transportation Trust Fund.

Proposed law retains present law but provides that the taxes collected from the taxable sale, use, or lease of motor vehicles shall also be deposited into the Megaprojects Leverage Fund.

Present law provides that in any fiscal year beginning with Fiscal Year 24-25, if the Revenue Estimating Conference revises the Official Forecast resulting in a decrease of $100 million or more from the Official Forecast at the beginning of the current fiscal year, the amount of avails deposited into the subfund may not exceed $150 million for that fiscal year.

Proposed law retains present law but provides that the combined amount of tax avails deposited into the Megaprojects Leverage Fund and the subfund may not exceed $150 million for that fiscal year.

Present law provides that no debt shall be issued which in the aggregate exceeds $150 million that is secured by monies deposited into the subfund. Proposed law repeals present law.

Proposed law creates the Megaprojects Leverage Fund in the state treasury and directs the state treasurer, during any FY beginning with FY 24-25, to deposit 75% of the avails of the tax on the sale, use, or lease of motor vehicles to be deposited into the Megaprojects Leverage Fund, provided that if the Official Forecast of the Revenue Estimating Conference of state general fund revenues for the current FY are decreased by $100 million or more from the original Official Forecast, the state treasurer shall only deposit $112,500,000 into the Megaprojects Leverage Fund. Once all projects payable from the Megaprojects Leverage Fund have been completed and issued final acceptance, and any outstanding debt secured by the Megaprojects Leverage Fund has been paid or defeased, there shall be no more deposits to the Megaprojects Leverage Fund.

Proposed law creates four special accounts in the Megaprojects Leverage Fund, into each of which shall be deposited 25% of the amount deposited into the Megaprojects Leverage Fund each year as well as any other monies appropriated to each special account each year. The four special accounts are the I-10 Calcasieu River Bridge and I-10 Improvements Account, the I-49 Leverage Fund Account, the Mississippi River at Baton Rouge and Connections Account, and the I-49 North Leverage Fund Account. Proposed law further provides that once each of the four projects has been completed and issued final acceptance and any outstanding debt secured by each special account has been paid or defeased, no more deposits shall be made into that account and any monies in that account shall be divided equally between the remaining accounts that are eligible to receive deposits.

Proposed law provides for the investment of monies in the fund.

Proposed law provides that monies in the fund shall be appropriated only to (1) the State Bond Commission (commission) to pay debt service on motor vehicle sales and use tax bonds issued by the commission for the following four projects: I-10 Calcasieu River Bridge and I-10 Improvements Account, the I-49 Leverage Fund Account, the Mississippi River at Baton Rouge and Connections Account, and the I-49 North Leverage Fund Account; and (2) the Construction Subfund for the following four projects: I-10 Calcasieu River Bridge and I-10 Improvements Account, the I-49 Leverage Fund Account, the Mississippi River at Baton Rouge and Connections Account, and the I-49 North Leverage Fund Account.

Proposed law provides for the issuance of bonds secured by the motor vehicle sales and use tax deposited into the Megaprojects Leverage Fund, provided that the total amount of funds pledged shall not exceed $25 million per year from any of the four accounts created in proposed law. Proceeds of the bonds shall be deposited into the subfund.

Proposed law provides for the creation of the Motor Vehicle Sales and Use Tax Bond Fund, to be administered by a trustee selected by the commission, into which shall be deposited such portion of the motor vehicle sales and use taxes that are taxable and transferred to the commission.

Proposed law provides that the bond resolution may contain provisions respecting: custody of the bond proceeds; investment of the motor vehicle sales taxes; credit enhancement devices for the bonds; the collection, custody, and use of the pledged revenues or other monies pledged therefor; reserves, sinking funds and other funds; covenants for the establishment of pledged revenue coverage requirements of the bonds; the issuance of additional parity or subordinate bonds; and covenants deemed necessary in order to better secure the bonds.

Proposed law provides that the bonds issued pursuant to proposed law shall not be full faith and credit obligations of the state.

Proposed law provides that the bond resolution shall set forth the series, date, maturities, interest rates, redemption terms and priority on revenues. Bonds may be sold by competitive bid or negotiated sale. Proposed law provides for a 30 day preemption period.

Proposed law provides that the bonds shall be included as "net state tax supported debt", negotiable instruments, a valid and binding pledge, and exempt from state taxation.

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

(Amends R.S. 48:77(A)(intro para) and (B); adds R.S. 48:77.1 and 77.2; repeals R.S. 48:77(E))