

**SENATE FLOOR AMENDMENTS**

Amendments proposed by Senator Riser to Reengrossed House Bill No. 2 by Representative Robideaux

AMENDMENT NO. 1

On page 1, line 2, after "respect to" and before "the capital outlay budget" insert "the Omnibus Bond Authorization Act of 2012,"

AMENDMENT NO. 2

On page 1, line 5, after "sources;" and before "and to" insert the following:

"to provide for the repeal of certain prior bond authorizations; to provide for new bond authorizations; to provide for authorization and sale of such bonds by the State Bond Commission;"

AMENDMENT NO. 3

On page 2, line 8, change "This" to "Sections 1 through 18 of this"

AMENDMENT NO. 4

On page 2, line 9, between "Year" and the period "." insert "and is hereby designated as the 2012 Capital Outlay Act"

AMENDMENT NO. 5

On page 4, line 21, between "the" and "Capital" insert "2012"

AMENDMENT NO. 6

On page 141, line 3, between "in" and "this" insert "Sections 1 through 18 of"

AMENDMENT NO. 7

On page 142, between lines 15 and 16, insert the following:

"Section 19. The legislature hereby recognizes that the Constitution of Louisiana provides in Article VII, Section 11, that the governor shall present to the legislature a five year Capital Outlay Program and request implementation of the first year of such program, and that the capital outlay projects approved by the legislature are to be made part of the comprehensive state capital budget which shall, in turn, be adopted by the legislature. Further, all projects in such budget adopted by the legislature requiring bond funds must be authorized as provided in Article VII, Section 6 of the Constitution of Louisiana. The legislature finds that over a period of years the legislature has enacted numerous bond authorizations, but due to inflation and the requirements of specificity of amount for each project, impossibility, or impracticability, many of the projects cannot be undertaken. All of the unissued bonds must be listed in the financial statements of the state prepared from time to time and in connection with the marketing of bonds, and are taken into account by rating agencies, prospective purchasers, and investors in evaluating the investment quality and credit worthiness of bonds being offered for sale. The continued carrying of the aforesaid unissued bonds on the financial statements of the state under the above described circumstances operates unnecessarily to the financial detriment of the state. Accordingly, the legislature deems it necessary and in the best financial interest of the state to repeal all Acts, except any Act authorizing the issuance of refunding bonds and Act 41 of the 2006 First Extraordinary Session,

1 providing for the issuance of general obligation bonds in the state which cannot be  
 2 issued for the projects contemplated, and in their stead to reauthorize general  
 3 obligation bonds of the state for those projects deemed to be essential, and to  
 4 authorize new projects.

5 Section 20. It is the intent of the legislature that Sections 19 through 25 of  
 6 this Act shall constitute the Omnibus Bond Authorization Act of 2012 and, together  
 7 with any Act authorizing the issuance of refunding bonds and Act 41 of the 2006  
 8 First Extraordinary Session, shall provide bond authorization, as required by Article  
 9 VII, Section 6 of the Constitution of Louisiana, for those projects to be funded totally  
 10 or partially by the sale of general obligation bonds and included in Sections 1  
 11 through 18 of this House Bill No. 2 of the 2012 Regular Session as finally enacted  
 12 into law (2012 Capital Outlay Act). It is the further intent of the legislature that in  
 13 this year and each year hereafter an Omnibus Bond Authorization Act shall be  
 14 enacted providing for the repeal of state general obligation bond authorizations for  
 15 projects no longer found feasible or desirable, the reauthorization of those bonds not  
 16 sold during the prior fiscal year for projects deemed to be of such priority as to  
 17 warrant such reauthorization, and to enact new authorization for projects found to be  
 18 needed for capital improvements.

19 Section 21. Except as hereinafter provided, all prior Acts of the legislature  
 20 authorizing the issuance of general obligation bonds of the state of Louisiana shall  
 21 be and the same are hereby repealed in their entirety, including without limitation  
 22 Act No. 32 of the 2011 Regular Session of the Louisiana Legislature and any Acts  
 23 heretofore repealed with such Act. This repeal shall not be applicable to any Act  
 24 providing for the issuance of refunding bonds nor to Act 41 of the 2006 First  
 25 Extraordinary Session, and such Acts shall remain in full force and effect and shall  
 26 not be affected by the provisions of Sections 19 through 25 of this Act. In addition,  
 27 the repeal shall not in any manner affect the validity of any bonds heretofore issued  
 28 pursuant to any of the bond authorizations repealed hereby.

29 Section 22. To provide funds for certain capital improvement projects the  
 30 State Bond Commission is hereby authorized pursuant to Article VII, Section 6 of  
 31 the Constitution of Louisiana to issue general obligation bonds or other general  
 32 obligations of the state for capital improvements for the projects, and subject to any  
 33 terms and conditions set forth on the issuance of bonds or the expenditure of monies  
 34 for each project as is provided for in the 2012 Capital Outlay Act.

35 Section 23.(A) To provide funds for certain capital improvement projects  
 36 authorized prior to this Act and by this Act, which projects are designed to provide  
 37 for reimbursement of debt service on general obligation bonds, the State Bond  
 38 Commission is hereby authorized pursuant to Article VII, Section 6 of the  
 39 Constitution of Louisiana, to issue general obligation bonds of the state, hereinafter  
 40 referred to as "project bonds", for capital improvements for the projects and subject  
 41 to any terms and conditions set forth on the issuance of bonds or the expenditure of  
 42 monies for each such project as provided in the 2012 Capital Outlay Act the terms  
 43 of which require such reimbursement of debt service.

44 (B) Without affecting, restricting, or limiting the pledge herein made of the  
 45 full faith and credit of the state of Louisiana to the payment of the general obligation  
 46 bonds authorized by this Section and without affecting, restricting, or limiting the  
 47 obligation of the state to pay the same from monies pledged and dedicated to and  
 48 paid into the Bond Security and Redemption Fund, but in order to decrease the  
 49 possible financial burden on the general funds of the state resulting from this pledge  
 50 and obligation, the applicable management board, governing body, or state agency  
 51 for which any of such project bonds are issued, in the fiscal year in which such  
 52 project bonds are issued and in each fiscal year thereafter until such project bonds  
 53 and the interest thereon are paid, shall transfer and make available to the State  
 54 Treasury, for deposit in the Bond Security and Redemption Fund, designated student  
 55 fees or revenues or other revenues in an amount equal to the debt service on such  
 56 project bonds in such fiscal year. In addition, the applicable management board,  
 57 governing body, or state agency, in the fiscal year in which such project bonds are  
 58 issued and in each of the nine immediately succeeding fiscal years thereafter, shall  
 59 transfer and make available to the state treasury from designated student fees or  
 60 revenues or other revenues, for credit to a reimbursement reserve account for such  
 61 project bonds which shall be established in an account designated in the

1 reimbursement contract hereafter provided for, monies in an amount equal to one-  
 2 tenth of the average annual debt service on such project bonds, and each such  
 3 reimbursement reserve account thereafter shall be maintained in said minimum  
 4 amount by further transfers, if necessary, from designated student fees or revenues  
 5 or other revenues by the applicable management board, governing body, or state  
 6 agency to the state treasury. Each such reimbursement reserve account shall be used,  
 7 if necessary, solely to make the reimbursement payments herein obligated to be  
 8 made to the state treasury. When the general obligation bonds and the interest  
 9 thereon issued hereunder have been paid, any amount remaining in the  
 10 reimbursement reserve account, as prorated to such authorized project, shall be  
 11 transferred by the state treasurer to the applicable management board, governing  
 12 body, or state agency.

13 (C) No project bonds authorized by this Section shall be issued for any  
 14 authorized project unless and until a reimbursement contract has been entered into  
 15 and executed between the applicable management board, governing body, or state  
 16 agency and the State Bond Commission pertaining to the reimbursement payment  
 17 and reimbursement reserve account payments for such project. The contract shall  
 18 require payment into the state treasury of designated student fees or revenues or  
 19 other revenues in an amount sufficient to reimburse the cost to the state of the  
 20 principal, interest, and premium, if any, obligated to be paid by the state on such  
 21 project bonds. The State Bond Commission shall not be required to execute any  
 22 such reimbursement contract unless the estimates and projections of the designated  
 23 student fees or revenues or other revenues available for payment into the state  
 24 treasury thereunder for the authorized projects are sufficient to reimburse the costs  
 25 of the principal, interest, and premium, if any, on the project bonds. A  
 26 reimbursement contract hereunder shall be authorized by resolution of the applicable  
 27 management board, governing body, or state agency, or board or by act of the chief  
 28 executive officer if no governing board exists.

29 This authorization shall provide for the dates, amounts, and other details for  
 30 the payments required to be made to the state treasury and for the reserve account.  
 31 The authorization may contain such covenants with the State Bond Commission  
 32 regarding the fixing of rates for fees and charges or revenues and such other  
 33 covenants and agreements with the State Bond Commission as will assure the  
 34 required payments to the state treasury. The contract shall be subject to approval by  
 35 the Office of the Attorney General and the State Bond Commission and, when so  
 36 accepted and approved, shall conclusively constitute and be the reimbursement  
 37 contract for an authorized project, as required hereunder.

38 (D) The obligation to make the reimbursement payments as required by a  
 39 reimbursement contract may be represented by the issuance by the applicable  
 40 management board, governing body, or state agency of its nonnegotiable revenue  
 41 obligation in the form of a bond or other evidence of indebtedness, hereinafter  
 42 referred to as "reimbursement bond". The reimbursement bond shall be issued in a  
 43 single bond form, without coupons, in the principal amount equal to the aggregate  
 44 principal amount of project bonds, shall be registered in principal and interest in the  
 45 name of and be payable to the State Bond Commission, shall bear interest at a rate  
 46 or rates equal to the interest rate or rates payable on the project bonds, and shall be  
 47 payable as to principal and interest at such times, in such manner, from designated  
 48 student fees or revenues, or other revenues, and be subject to such terms and  
 49 conditions as shall be provided in the authorizing resolution or document executed  
 50 by a chief executive officer, where applicable. This authorization shall be subject  
 51 to approval by the State Bond Commission and the Office of the Attorney General,  
 52 and when so accepted and approved, the authorization shall constitute and be the  
 53 reimbursement contract for such authorized project, as required hereunder. The  
 54 reimbursement bonds authorized under the provisions of this Section may be issued  
 55 on a parity with outstanding reimbursement bonds of the applicable management  
 56 board, governing body, or state agency, or issued on a subordinate lien basis to  
 57 outstanding bonds, or a combination thereof, and may include and contain such  
 58 covenants with the State Bond Commission for the security and payment of the  
 59 reimbursement bonds and such other customary provisions and conditions for their  
 60 issuance by the applicable management board, governing body, or state agency as  
 61 are authorized and provided for by general law and by this Section. Until project

bonds for an authorized project have been paid, the applicable management board, governing body, or state agency shall impose fees and charges in an amount sufficient to comply with the covenants securing outstanding bonds and to make the payments required by the reimbursement contract.

(E) In addition to the other payments herein required, reimbursement contracts shall provide for the setting aside of sufficient student fees or revenues or other revenues in a reserve fund, so that within a period of not less than ten years from date of issuance of project bonds there shall be accumulated in a reserve fund monies equal to a sum not less than the average annual debt service requirements on such project bonds. Monies in the reserve fund shall be used for the purpose of remedying or preventing a default in making the required payments under a reimbursement contract. The reserve fund required hereunder may consist of a reserve fund heretofore or hereafter established to secure payments for reimbursement bonds of the applicable management board, governing body, or state agency, provided that (1) payments from said reserve fund to secure the payments required to be made under a reimbursement contract shall be on a parity with the payments to be made securing outstanding bonds and additional parity bonds and (2) no additional parity reimbursement bonds shall be issued except pursuant to the establishment and maintenance of an adequate reserve fund as approved by the State Bond Commission.

(F) When the balance of reimbursement bond proceeds, for a project, are allocated to another project, the State Bond Commission is authorized to make the appropriate amendment to the reimbursement contract with the agency making the reimbursement payments.

Section 24. The bonds authorized to be sold by the State Bond Commission pursuant to this Act shall be issued and sold in conformity with the provisions of Article VII, Section 6 of the Louisiana Constitution, R.S. 39:1361 through R.S. 39:1367, and R.S. 39:1401 through R.S. 39:1430.1, and any amendments thereto adopted prior to, at the same time as, or subsequent to, the effective date of this Act. However, the provisions of R.S. 39:1365(9) shall not apply to any bonds issued hereunder in the form of variable rate and/or tender option bonds and that said bonds need not be issued in serial form and may mature in such year or years as may be specified by the State Bond Commission. Should any provision of this Act be inconsistent with any provision of the Louisiana Revised Statutes of 1950, the provision of this Act shall govern. In connection with the issuance of the bonds authorized hereby, the State Bond Commission may, without regard to any other laws of the state relating to the procurement of services, insurance, or facilities, enter into contracts upon such terms as it deems advantageous to the state for (1) the obtaining of credit enhancement or liquidity devices designed to improve the marketability of the bonds and (2) if the bonds are structured as variable rate and/or tender option bonds to provide the services and facilities required for or deemed appropriate by the State Bond Commission for such type of bonds, including those of tender agents, placement agents, indexing agents, remarketing agents, and/or standby bond purchase facilities. The cost of obtaining credit enhancement or liquidity devices and fees for other services set forth in this Section shall, if authorized by the State Bond Commission, be paid from the Bond Security and Redemption Fund as a requirement with respect to the issuance of the bonds authorized hereby. The bonds shall be general obligations of the state of Louisiana, to the payment of which, as to principal, premium, if any, and interest, as and when the same become due, the full faith and credit of the state is hereby irrevocably pledged. These bonds shall be secured by monies in the Bond Security and Redemption Fund and shall be payable on a parity with bonds and other obligations heretofore and hereafter issued which are secured by that fund. The maximum interest rate or rates on such bonds, and their maturities, shall be determined by the State Bond Commission. The state treasurer shall invest all bond proceeds until disbursed.

Section 25. The provisions, items, and projects contained in this Act are severable and if any provision, item, or project contained herein, or the application of any such provision, item, or project, is held invalid, such invalidity shall not affect other provisions, items, projects, or applications of the Act which can be given effect without the invalid provision, project, item, or application.

1           Section 26. Unless specifically repealed, Sections 19 through 25 of this Act  
2           shall expire, and be considered null and void and of no further effect on June 30,  
3           2013 except as to any bonds authorized herein (1) which have been sold, (2) to which  
4           lines of credit have been issued, or (3) for which contracts for construction have been  
5           signed."

6    AMENDMENT NO. 8

7    On page 142, line 16, change "Section 19" to "Section 27"