

New law is the second phase of a program to improve and enhance the institutions of the La. Community and Technical College System.

Authorizes, with the approval of the State Board Commission, the issuance of bonds, notes, or other evidences of indebtedness, or through financing programs heretofore or hereafter provided by the La. Government Environmental Facilities and Community Development Authority or a public trust duly organized pursuant to R.S. 9:2341 et seq.

Provides that the bonds, notes, or other evidences of indebtedness may be issued as serial or term bonds and shall bear such date or dates, mature at such time or times, not exceeding 30 years from their respective dates, bear interest at such rate or rates, including variable, adjustable, or zero interest rates, be payable at such time or times, be in such denominations, be sold at such price or prices, at public or private negotiated sale, after advertisement as is provided for in R.S. 39:1421 et seq., be in such form, carry such registration and exchangeability privileges, be payable at such place or places, be subject to such terms of redemption, as may be provided in the indenture, trust agreement, or resolution relating to such bonds. Bonds may 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 State Bond Commission.

Provides that projects contained in new law shall not be required to be included in the annual comprehensive capital budget nor obtain legislative approval as required in prior law.

Provides that construction projects shall be managed and administered by a nonprofit corporation established for such purposes, regardless of the source of revenues used to fund such construction projects.

Provides that the sum total amount to be financed shall equal no more than the total value of all projects listed in new law, plus an amount equal to 15% of such total, together with other requirements including but not limited to costs of issuance, capitalized interest, if any, credit enhancement and related costs. Provides that no monies shall be appropriated for new projects and the purposes set forth in new law until July 1, 2015.

Provides that projects listed in new law which are to be financed through the sale of bonds shall require a no less than 12% private match. No project shall be funded until all private funds are available for that project. The dollar value listed in new law for each project, plus an amount equal to 15%, together with other requirements including but not limited to costs of issuance, capitalized interest, if any, credit enhancement and related costs, is the maximum amount that may be financed for each of the projects.

Prior law limited the issuance of net state tax supported debt and prohibits the issuance of such debt if the amount of the debt service exceeds 6% of the estimate of money to be received by the state general fund and dedicated funds for each respective fiscal year as contained in the official forecast adopted by the Revenue Estimating Conference at its first meeting after the beginning of each fiscal year.

Prior law defined "net state tax supported debt" to mean all of the following debt obligations issued by the state or any entity in the state for which the state is legally obligated to make debt service payments, either directly or indirectly: (i) general obligation bonds secured by the full faith and credit of the state; (ii) debt secured by capital leases of immovable property payable by the state or annual appropriations of the state; (iii) debt secured by statewide tax revenues or statewide special assessments; (iv) any funds advanced by a political subdivision in accordance with R.S. 47:820.2 (TIMED fund); and (v) bonds secured by self-supported revenues which in the first instance may not be sufficient to pay debt service and will then draw on the full faith and credit of the state.

Prior law defined "net state tax supported debt" to not mean: (i) any obligations owed by the state pursuant to the State Employment Security Law; (ii) cash flow borrowings payable from revenue attributable to one fiscal year; (iii) any bond or note, including refunding bonds or notes, issued by the state pursuant to Act 41 of the 2006 1st E.S. (which authorized the issuance of state debt to assist political subdivisions ravaged by Hurricanes Katrina and Rita); (iv) any bond or other evidence of indebtedness issued pursuant to R.S. 23:1532.1

pertaining to bonds secured by a special assessment on employers to finance the outstanding principal amount advanced to the state from the federal account of the Unemployment Trust Fund.

New law provides that the definition of "net state tax supported debt" for purposes of the state's debt limit does not include bonds, notes, or other evidences of indebtedness issued for the purposes set forth in new law or any bonds issued to refund such bonds, notes, or other evidences of indebtedness.

Effective upon signature of the governor (June 17, 2013).

(Amends R.S. 17:3394.3(A) and (B) (intro para); adds R.S. 17:3394.3(C) and R.S. 39:1367(E)(2)(b)(v))