

2019 Regular Session

HOUSE BILL NO. 497

BY REPRESENTATIVE ABRAMSON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

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

1 AN ACT

2 To enact R.S. 39:125.1, relative to projects in the capital outlay budget; to limit the disposal
3 of projects which received capital outlay funding; to require certain approval before
4 a project is disposed of or sold; to provide for certain requirements and limitations;
5 to provide for applicability; to provide for an effective date; and to provide for
6 related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 39:125.1 is hereby enacted to read as follows:

9 §125.1. Disposal of projects which received funding through the capital outlay
10 budget; limitations; requirements

11 The owner of a project that received funding through the sale of general
12 obligation bonds for acquiring lands, buildings, equipment, or other permanent
13 properties, or for the preservation or development of permanent improvement
14 through the capital outlay budget may sell or otherwise dispose of the project while
15 repayment of the bonds, including debt service, by the state is outstanding but only
16 with the prior approval of the commissioner of administration and the approval, by
17 a majority vote, of the House Committee on Ways and Means and Senate Committee
18 on Revenue and Fiscal Affairs, including any conditions or requirements that the
19 property owner shall meet prior to disposing of the project.

1 Section 2. The provisions of this Act shall be applicable to the funding of all projects
2 included in the capital outlay budget for fiscal years commencing on and after July 1, 2019.

3 Section 3. This Act shall become effective on July 1, 2019.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 497 Engrossed

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Abramson

Abstract: Authorizes the owner of a project which received capital outlay funding through general obligation bond (GOB) proceeds to sell or dispose of the property with the prior approval of the commissioner and the House Committee on Ways and Means and Senate Committee on Revenue and Fiscal Affairs.

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". The legislative committees must approve the sale or disposal of the property by a majority vote. Further, proposed law requires the property owner to 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.