

**HOUSE SUMMARY OF SENATE AMENDMENTS****HB 497****2019 Regular Session****Abramson**

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

**Synopsis of Senate Amendments**

1. Change proposed law from an authorization to a prohibition 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 certain legislative committees.
2. Require the property owner to obtain an opinion from state bond counsel, at the property owner's cost, that the sale will not affect the tax exempt status of the bonds.

**Digest of Bill as Finally Passed by Senate**

Proposed law prohibits the owner of a project that received general obligation bond (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, at the owner's cost, that the sale will not affect the tax exempt status of the bonds. Further 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)