

SENATE BILL NO. 172

BY SENATOR REESE

1 AN ACT

2 To amend and reenact R.S. 39:1405.4(A) and (E), and to repeal R.S. 39:1405.4(H), relative  
3 to the costs of issuance and reporting requirements for bonds approved or sold by the  
4 State Bond Commission; to remove penalty provisions; to provide for an effective  
5 date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 39:1405.4(A) and (E) are hereby amended and reenacted to read as  
8 follows:

9 §1405.4. Costs of issuance and reporting requirements

10 A. Bonds, notes, or other issuances of indebtedness of any issuer required by  
11 the constitution or laws of Louisiana to be sold or approved by the State Bond  
12 Commission, shall not be sold **or approved** unless and until the estimated costs of  
13 issuance have been presented to the issuer in a written report compiled by bond  
14 counsel in a public sale of securities or by bond counsel with the assistance of the  
15 underwriter in a private sale of securities.

16 \* \* \*

17 E.**(1)** If the total actual costs of issuance exceed the total approved costs of  
18 issuance or the actual costs of issuance in any line item exceed the approved costs  
19 of issuance by a variance of ten percent or more, the issuer shall ~~obtain supplemental~~  
20 ~~approval of~~ **provide a written explanation to** the State Bond Commission ~~prior to~~  
21 ~~paying any individual item in excess of the approved costs of issuance.~~ **and may be**  
22 **required to appear at a meeting thereof for purposes of further explanation.**

23 **(2) If the issuer is advised of an increase pursuant to Paragraph (1) of**  
24 **this Subsection and the increased costs of issuance can be timely submitted for**  
25 **approval, the increased costs of issuance shall be resubmitted to the State Bond**  
26 **Commission for approval prior to closing.**

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Section 2. R.S. 39:1405.4(H) is hereby repealed.

Section 3. This Act shall become effective on July 1, 2022; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval by the legislature or July 1, 2022, whichever is later.

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_