

First Extraordinary Session, 2005

HOUSE BILL NO. 158

BY REPRESENTATIVES ALARIO, HAMMETT, AND SALTER

BONDS/STATE: Excludes from net state tax supported debt certain bonds or notes issued by the state to provide relief from the natural catastrophe caused by Hurricanes Katrina and Rita (Item #29)

1 AN ACT

2 To enact R.S. 39:1367(E)(2)(b)(iii), relative to state debt; to exclude from the definition of
3 net state tax supported debt certain bonds or notes issued by the state to provide
4 relief from the natural catastrophe caused by Hurricanes Katrina and Rita; and to
5 provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 39:1367(E)(2)(b)(iii) is hereby enacted to read as follows:

8 §1367. State debt; limitations

9 * * *

10 E. As used in this Section, the following terms shall have the following
11 meanings ascribed to them unless the context clearly indicates otherwise:

12 * * *

13 (2)

14 * * *

15 (b) "Net state tax supported debt" shall not mean:

16 * * *

17 (iii) Any bond or note issued by the state pursuant to the Louisiana Disaster
18 Assistance Program Act.

1 Section 2. This Act shall take effect and become operative if and when the Act
2 which originated as House Bill No. ____ of this 2005 First Extraordinary Session is enacted
3 and becomes effective.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

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HB No. 158

Abstract: Excludes from net state tax supported debt certain bonds or notes issued by the state to provide relief from the natural catastrophe caused by Hurricanes Katrina and Rita.

Present law, relative to state debt limitations, defines "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:

- (1) General obligation bonds secured by the full faith and credit of the state.
- (2) Debt secured by capital leases of immovable property payable by the state or annual appropriations of the state.
- (3) Debt secured by statewide tax revenues or statewide special assessments.
- (4) Any funds advanced by a political subdivision in accordance with R.S. 47:820.2.
- (5) 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.

Present law provides that "net state tax supported debt" shall not include:

- (1) Any obligations owed by the state pursuant to the State Employment Security Law.
- (2) Cash flow borrowings payable from revenue attributable to one fiscal year.

Proposed law retains present law but provides that "net state tax supported debt" shall also not include any debt incurred or bond or note issued by the state pursuant to the Louisiana Disaster Assistance Program Act.

Effective if and when House Bill No. ____ of this 2005 1st E.S. is enacted and becomes effective.

(Adds R.S. 39:1367(E)(2)(b)(iii))