
DIGEST

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Broadwater

HB No. 1175

Abstract: Provides with respect to the disclosure of certain information regarding outstanding judgments in applications for the approval of debt issuance.

Proposed law provides that the State Bond Commission shall require any political subdivision applying for approval of bonds, notes, or other evidences of indebtedness to disclose in its application the existence of any unsatisfied judgment on a contractual obligation recorded after Aug. 1, 2014. Further provides that the State Bond Commission shall review such information prior to approval of any evidences of indebtedness by the political subdivision.

Proposed law provides that for each unsatisfied judgment subject to the disclosure requirements of proposed law, the political subdivision shall provide the date of the judgment, the name of the party in whose favor the judgment was rendered, the monetary amount of the judgment the political subdivision was cast to pay, the current unpaid amount of the judgment, and the amount appropriated by the political subdivision in the current fiscal year toward satisfaction of the judgment. Proposed law provides that if the current appropriation is insufficient to satisfy the judgment, a statement as to the amount the political subdivision anticipates may be appropriated over the following five fiscal years for purposes of satisfying the judgment.

Proposed law provides that prior to submission of an application to the State Bond Commission which includes the disclosure of an unsatisfied judgment, the political subdivision shall provide to the respective judgment creditor a copy of the information required in proposed law.

Proposed law provides that bonds, notes, or certificates of indebtedness shall not be invalid because of any noncompliance with proposed law and shall be incontestable in the hands of bona fide purchasers or holders for value.

(Adds R.S. 39:1405.5)