

2018 Regular Session

HOUSE BILL NO. 703

BY REPRESENTATIVE GISCLAIR

FUNDS/FUNDING: Increases the amount dedicated for deposit into the Unclaimed Property Leverage Fund and establishes the LA 1 Improvement Project Account with the fund

1 AN ACT

2 To amend and reenact R.S. 9:165.1(A)(1) and (2), (3)(d), and (P), and to enact R.S.

3 9:165(D), relative to special treasury funds; to establish the LA 1 Improvement

4 Project Fund; to require that certain monies realized by the state from certain

5 unclaimed property be deposited into the fund; to provide for use of monies in the

6 fund; to authorize and provide with respect to the issuance of bonds for certain

7 projects; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 9:165.1(A)(1) and (2), (3)(d), and (P) are hereby amended and
10 reenacted and R.S. 9:165(D) is hereby enacted to read as follows:

11 §165. Deposit of funds

12 * * *

13 (D) The LA 1 Improvement Project Fund is hereby established as a special
14 fund within the state treasury, hereinafter referred to in this Subsection as "fund".

15 (1) Each fiscal year, beginning with Fiscal Year 2020-2021, of the remaining
16 monies received by the administrator under this Chapter after satisfaction of the
17 requirements of Subsections A through C of this Section, the state treasurer shall
18 deposit fifteen million dollars into the fund. Monies from any other source may also
19 be deposited into the fund.

1 (2) Monies appropriated from the fund shall be expended only in accordance
2 with the provisions of this Paragraph:

3 (a) For transfer to the State Bond Commission, hereinafter referred to as the
4 "commission", to pay the principal, premium, and interest of unclaimed property
5 bonds issued by the commission pursuant to R.S. 9:165.1 as the bonds become due
6 and payable and to fund such reserves for contingencies, costs, and expenses as may
7 be required by the resolution authorizing the issuance of such bonds as well as pay
8 amounts of ongoing expenses associated with the administration, maintenance, or
9 evaluation of the bonds issued for the LA 1 Improvement Project. Proceeds of the
10 bonds, except monies needed to fund reserves and pay costs of issuance, and to the
11 extent not needed to pay debt service or other amounts due under the resolution
12 authorizing the bonds, shall be expended utilizing any or all powers granted to the
13 commission including the funding or securitization of revenue bonds.

14 (b) For use by the Department of Transportation and Development
15 exclusively to match funding from any source for the costs for and associated with
16 the construction of the Louisiana Highway 1 Improvement Project from Golden
17 Meadow to Leesville in southern Lafourche Parish, referred to in this Subsection as
18 "LA 1 Improvement Project".

19 (3) All unexpended and unencumbered monies in the fund at the end of the
20 fiscal year shall remain in the fund and interest earned on the investment of these
21 monies shall be credited to the fund.

22 §165.1. Bonds; unclaimed property bonds; completion of I-49; the LA 1
23 Improvement Project

24 A.(1)(a) Without reference to any provision of the Constitution of Louisiana
25 and the laws of Louisiana, and as a grant of power in addition to any other general
26 or special law, the State Bond Commission, hereinafter "commission", is hereby
27 authorized to issue unclaimed property bonds, hereinafter referred to as "unclaimed
28 property bonds" or "bonds", for the I-49 Project and pledge for the payment of the
29 principal and interest of the unclaimed property bonds monies deposited or to be

1 deposited into the Unclaimed Property Leverage Fund, which pledge shall be subject
2 to the appropriation of funds by the legislature. The commission is further
3 authorized, in its discretion, to pledge all or any part of any gift, grant, donation, or
4 other sum of money, aid, or assistance from the United States, the state, or any
5 political subdivision, thereof, unless otherwise restricted by the terms thereof, all or
6 any part of the proceeds of bonds, credit agreements, instruments, or other money of
7 the commission, from whatever source derived, for the further securing of the
8 payment of the principal and interest of the bonds, including any monies provided
9 to the commission from the Department of Transportation and Development. Any
10 bonds shall be payable solely from revenues and bond proceeds, pending their
11 disbursement and investment income thereon.

12 ~~(2)(b)~~ The unclaimed property receipts which have been deposited into the
13 Unclaimed Property Leverage Fund shall be applied to pay or provide for the
14 payment of debt service and all related costs and expenses associated therewith on
15 unclaimed property bonds issued by the commission. At no time shall bond
16 payments securitized by unclaimed property receipts in the Unclaimed Property
17 Leverage Fund exceed fifteen million dollars per year.

18 (2)(a) Without reference to any provision of the Constitution of Louisiana
19 and the laws of Louisiana, and as a grant of power in addition to any other general
20 or special law, the State Bond Commission, hereinafter "commission", is hereby
21 authorized to issue unclaimed property bonds, hereinafter referred to as "unclaimed
22 property bonds" or "bonds", for the LA 1 Improvement Project and pledge for the
23 payment of the principal and interest of the unclaimed property bonds monies
24 deposited or to be deposited into the LA 1 Improvement Project Fund, which pledge
25 shall be subject to the appropriation of funds by the legislature. The commission is
26 further authorized, in its discretion, to pledge all or any part of any gift, grant,
27 donation, or other sum of money, aid, or assistance from the United States, the state,
28 or any political subdivision, thereof, unless otherwise restricted by the terms thereof,
29 all or any part of the proceeds of bonds, credit agreements, instruments, or other

1 money of the commission, from whatever source derived, for the further securing of
2 the payment of the principal and interest of the bonds, including any monies
3 provided to the commission from the Department of Transportation and
4 Development. Any bonds shall be payable solely from revenues and bond proceeds,
5 pending their disbursement and investment income thereon.

6 (b) The unclaimed property receipts which have been deposited into the LA
7 1 Improvement Project Fund shall be applied to pay or provide for the payment of
8 debt service and all related costs and expenses associated therewith on unclaimed
9 property bonds issued by the commission. At no time shall bond payments
10 securitized by unclaimed property receipts in the LA 1 Improvement Project Fund
11 exceed fifteen million dollars per year.

12 (3) The resolution or resolutions under which unclaimed property bonds are
13 authorized to be issued may contain any or all of the following:

14 * * *

15 (d)(i) Provisions for the collection, custody, investment, reinvestment, and
16 use of the pledged revenues or other receipts, funds, or monies pledged therefor and
17 deposited in the Unclaimed Property Leverage Fund.

18 (ii) Provisions for the collection, custody, investment, reinvestment, and use
19 of the pledged revenues or other receipts, funds, or monies pledged therefor and
20 deposited in the LA 1 Improvement Project Fund.

21 * * *

22 P.(1) The provisions of this Section authorizing the issuance of bonds for the
23 Interstate 49 North project, the Interstate 49 South project, and the LA 1
24 Improvement Project shall become null, void, and of no effect with respect
25 specifically to each such project on the date that all bonds issued by the commission
26 for the project are paid or deemed paid in full and are no longer considered
27 outstanding or the ~~Interstate 49~~ project is deemed completed by the Department of
28 Transportation and Development, whichever is later.

1 (2)(a) If bonds for ~~this project~~ the Interstate 49 North Project or the Interstate
 2 49 South Project are not sold by December 31, 2013, the provisions of this Section
 3 authorizing the issuance of bonds for the project for which bonds were not sold shall
 4 become, null, void, and of no effect on January 1, 2014.

5 (b) If bonds for the LA 1 Improvement Project are not sold by December 31,
 6 2021, the provisions of this Section authorizing the issuance of bonds for the project
 7 shall become, null, void, and of no effect on January 1, 2022.

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 703 Reengrossed

2018 Regular Session

Gisclair

Abstract: Establishes the LA 1 Improvement Project Fund as a special treasury fund and dedicates \$15 million per year to the fund from certain monies associated with unclaimed property within the state treasury.

Present law establishes a program within the state treasury to administer unclaimed property which comes into state possession (unclaimed property). Unclaimed property is retained by the state until claimed by its owner.

Present law establishes within the state treasury the Unclaimed Property Leverage Fund, composed of two accounts: the I-49 North Account and the I-49 South Account. Each year \$15 million is deposited into the Unclaimed Property Leverage Fund from unclaimed property. These monies are apportioned 50% for deposit into the I-49 North Account and 50% for deposit into the I-49 South Account.

Proposed law retains present law.

Proposed law establishes the LA 1 Improvement Project Fund within the state treasury for the purpose of financing the cost of construction and improvements to LA 1 (highway) from Golden Meadow to Leeville in southern Lafourche Parish . Beginning FY 2020-2021, after satisfaction of present law concerning use and dedication of unclaimed property, in each fiscal year \$15 million from unclaimed property shall be deposited into the LA 1 Improvement Project Fund. Other monies may also be deposited into the fund.

Present law authorizes that monies in the I-49 North and I-49 South Accounts be transferred to the State Bond Commission (commission) to pay the principal, premium, and interest of unclaimed property bonds issued by the commission to fund the I-49 North and I-49 South projects. Monies in the account may also be used by the Dept. of Transportation and Development (DOTD) to match federal funds to be used for support of those projects.

Proposed law retains present law and establishes the same authority for use of monies in the LA 1 Improvement Project Fund for servicing unclaimed property bonds issued by the commission to fund the LA 1 Improvement Project from Golden Meadow to Leeville in southern Lafourche Parish, as well as for use by DOTD to match financing from any source to be used for support of the project.

Present law authorizes the issuance of "unclaimed property bonds" by the State Bond Commission for purposes of the I-49 North and I-49 South projects. Bond payments for these two projects are limited to \$15 million per year.

Proposed law retains present law and adds authority for the sale of unclaimed property bonds for purposes of the LA 1 Improvement Project. Bond authority shall become null and void when either all bonds sold for the project have been paid or the project has been completed according to the Dept. of Transportation and Development.

Present law provides that if bonds for the I-49 North and I-49 South projects are not sold by Dec. 31, 2013, the provisions of present law become, null, void, and of no effect on Jan. 1, 2014.

Proposed law retains present law and adds a limit on the authority to sell bonds for the LA 1 Improvement Project. The authority to sell bonds becomes null, void, and of no effect on Jan. 1, 2022 if bonds are not sold by Dec. 31, 2021.

(Amends R.S. 165.1(A)(1) and (2), (3)(d), and (P); Adds R.S. 9:165(D))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original bill:

1. Delete proposed law increase in deposits into the Unclaimed Property Leverage Fund.
2. Delete proposed law establishment of the LA 1 Improvement Project Account within the Unclaimed Property Leverage Fund.
3. Add establishment of the LA 1 Improvement Project Fund as a special treasury fund for the finance of the LA 1 Improvement Project from Golden Meadow to Leeville in South Lafourche Parish.
3. Change the permissible uses of monies for the LA 1 Improvement Project from match for federal funding to match for any other funding.