
DIGEST

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HB 497 Original

2019 Regular Session

Abramson

Abstract: Prohibits the owner of a project which received capital outlay funding through general obligation bond (GOB) proceeds from selling or disposing of the property while repayment of the bonds are outstanding.

Proposed law prohibits the owner of a project that received 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 Ways and Means and Senate Revenue and Fiscal Affairs Committees, hereinafter "legislative committees". The legislative committees must approve the sale or disposal of the property by a majority vote.

Proposed law requires the project owner that receives approval to sell or otherwise dispose of a project while the bonds are outstanding, to do all of the following:

- (1) Repay the total amount of funding the project received through the capital outlay budget, including interest due over the life of the bonds or until the bonds are retired, whichever is later.
- (2) Pay a penalty to the state, the minimum amount of which shall equal 50% of the increase in value of the property realized as a result of the state's expenditure of funds from the date bond proceeds were used to fund the construction or improvements to the property.

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.

(Amends R.S. 39:125.1)