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## DIGEST

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HB 925 Original

2022 Regular Session

Butler

**Abstract:** Establishes the La. Infrastructure Revolving Loan Program to provide financial assistance for eligible infrastructure projects of local governments.

Proposed law provides definitions for purposes of proposed law including those for "approved infrastructure program", "eligible infrastructure project", "certifying department", and "local government".

Proposed law defines an "emergency request" as an eligible infrastructure project request submitted by a local government to a certifying department between legislative sessions that is essential to alleviate conditions that are hazardous to life, health, or property. "Emergency request" includes funding for projects that have an anticipated useful life of less than 20 years and a value or cost of less than \$50,000 and that would not otherwise qualify for funding in an approved infrastructure program.

Proposed law designates the State Bond Commission as the certifying department for emergency requests.

Proposed law requires that before a loan or other assistance may be requested from the commission, the project shall first have been approved by the "certifying department".

Proposed law, with respect to a bond, note, or other evidence of indebtedness of a local government issued through a loan, requires the same requirements concerning interest rates and public notice as provided in present law concerning the adoption of a resolution or ordinance authorizing the issuance of indebtedness.

Proposed law authorizes a local government to pledge as security for a loan and any ancillary fees or other costs, any revenues from its general revenue fund, sales taxes, sewer user fees, assessments, parcel fees, or ad valorem property taxes.

Proposed law exempts from taxation any interest on bonds, notes, or other evidences of indebtedness issued through a loan.

Proposed law for purposes of security of debt or performance obligations of debt for projects, authorizes the commission to issue and deliver evidences of its guarantee of the debt of other entities, and to execute pledges of the monies on deposit in the commission, including payments pursuant to letters of credit. All evidences of indebtedness, guarantees, and pledges delivered pursuant to this

authority shall constitute limited obligations of the commission and shall not be secured by the full faith and credit of the state.

Proposed law provides that the withdrawal of monies from the revolving loan fund to pay debt service on any bond, note, or other evidence of indebtedness, obligation of guarantee of any debt, or pledge to secure any debt, or fees and associated costs to administer a loan shall not constitute or be subject to appropriation by the legislature.

Proposed law authorizes the legislative auditor to review all applications for compliance with the provisions of proposed law.

Present law provides for the definition of "net state tax supported debt" and includes those issuances excluded from the definition.

Proposed law retains present law and adds as an exclusion, any bond, note, certificate, warrant, reimbursement obligation, or other evidence of indebtedness issued pursuant to proposed law.

Effective July 1, 2022.

(Adds R.S. 39:462.1-462.6 and 1367(E)(2)(b)(ix))