

2024 Regular Session

HOUSE BILL NO. 940

BY REPRESENTATIVES TURNER, BOURRIAQUE, BOYD, BOYER, BRASS, BROWN, BRYANT, BUTLER, CARRIER, CARVER, DEVILLIER, GREEN, HUGHES, TRAVIS JOHNSON, JORDAN, KNOX, LACOMBE, LAFLEUR, LYONS, MENA, MYERS, OWEN, SELDERS, ST. BLANC, YOUNG, AND ZERINGUE

1 AN ACT

2 To enact Part VII-A of Chapter 26 of Title 17 of the Louisiana Revised Statutes of 1950, to
3 be comprised of R.S. 17:3369.1 through 3369.4, relative to financing deferred
4 maintenance and capital improvements at public postsecondary educational
5 institutions; to authorize the issuance of bonds for the financing of certain projects;
6 to provide for requirements and limitations with respect to the issuance of bonds; to
7 provide for definitions; to provide for the management and administration of
8 projects; to exempt certain projects from the requirement of being included in the
9 annual capital outlay budget; to provide for the duties and responsibilities of certain
10 management boards; to provide for the duties and responsibilities of the
11 commissioner of administration; to limit the amount of bonds that may be issued; to
12 provide for the allocation of certain monies; to require certain reports; to establish
13 the College and University Deferred Maintenance and Capital Improvement Fund
14 as a special treasury fund and to provide for the transfer, deposit, and use of monies
15 in the fund; to provide for an effective date; and to provide for related matters.

16 Be it enacted by the Legislature of Louisiana:

17 Section 1. Part VII-A of Chapter 26 of Title 17 of the Louisiana Revised Statutes of
18 1950, comprised of R.S. 17:3369.1 through 3369.4, is hereby enacted to read as follows:

19 PART VII-A. COLLEGE AND UNIVERSITY DEFERRED MAINTENANCE
20 AND CAPITAL IMPROVEMENT PROGRAM

21 §3369.1. College and university deferred maintenance and capital improvement
22 program; intent

23 It is the intent of the legislature to establish a program to address the deferred
24 maintenance and capital improvement needs that exist for facilities located on public

1 postsecondary educational institution campuses in Louisiana. This Part specifically
2 authorizes the issuance of bonds in order to address the deferred maintenance and
3 capital improvement projects that exist at each public postsecondary educational
4 facility in the state. The authorities granted to the Board of Supervisors of Louisiana
5 State University and Agricultural and Mechanical College, the Board of Supervisors
6 for the University of Louisiana System, the Board of Supervisors of Southern
7 University and Agricultural and Mechanical College, and the Board of Supervisors
8 of Community and Technical Colleges pursuant to this Part are intended to facilitate
9 the finance of deferred maintenance and capital improvements projects and to ensure
10 their completion in an expeditious manner.

11 §3369.2. Definitions

12 As used in this Part, the following words shall have the following meanings
13 unless the context clearly indicates otherwise:

14 (1) "Annual appropriation dependency clause" means a clause which shall
15 be included in any financing arrangement which provides that if, after a diligent and
16 good faith effort by the state to appropriate funds for the payment of sums due under
17 a financing agreement, the funds are not appropriated, the agreement shall be
18 terminated, and the state shall not be liable for the payment of further sums due
19 thereunder.

20 (2) "Board" means the Board of Supervisors of Southern University and
21 Agricultural and Mechanical College, the Board of Supervisors for the University of
22 Louisiana System, the Board of Supervisors of Louisiana State University and
23 Agricultural and Mechanical College, or the Board of Supervisors of Community and
24 Technical Colleges.

25 (3) "Corporation" means a nonprofit corporation which may be utilized to
26 accomplish the purposes of this Part. The term "corporation" shall also include a
27 limited liability company whose sole member is a nonprofit corporation.

28 (4) "Project" means improvements addressing deferred maintenance of
29 public facilities including the complete renovation of buildings with significant
30 deferred maintenance needs; utility infrastructure; drainage, street, sidewalk, and site

1 infrastructure; the demolition of public facilities; and any other improvements to
 2 address deferred maintenance needs, to be financed as authorized and provided in
 3 this Part and R.S. 17:3361 et seq. The term "project" shall not include new
 4 buildings or building additions, other than minor additions required for code
 5 compliance or improved access to a public facility.

6 (5) "Public facility" or "public facilities" means buildings, equipment,
 7 utilities, site components, roads, and streets, and other permanent property or
 8 immovable property of the system under the supervision and control of the board.

9 (6) "System" means the Louisiana State University System, the University
 10 of Louisiana System, the Southern University System, or the Louisiana Community
 11 and Technical College System.

12 §3369.3. Authority of the board to execute agreements related to the finance of
 13 deferred maintenance and capital improvements

14 A.(1) Projects may, at the direction of the board, be funded through the
 15 issuance of bonds, notes, or other evidences of indebtedness or through financing
 16 programs provided by the Louisiana Local Government Environmental Facilities and
 17 Community Development Authority, pursuant to R.S. 33:4548.1 et seq., or a public
 18 trust duly organized pursuant to R.S. 9:2341 et seq., having for its beneficiary the
 19 state, with the approval of the State Bond Commission.

20 (2) Bonds, notes, or other evidences of indebtedness may be issued as serial
 21 bonds or as term bonds and shall bear such date or dates, mature at such time or
 22 times, not exceeding thirty years from their respective dates, bear interest at such rate
 23 or rates, including variable, adjustable, or zero interest rates, be payable at such time
 24 or times, be in such denominations, be sold at such price or prices, at public or
 25 private negotiated sale, after advertisement as is provided for in R.S. 39:1426 et seq.
 26 be in such form, carry such registration and exchangeability privileges, be payable
 27 at such place or places, and be subject to such terms of redemption, as may be
 28 provided in the indenture, trust agreement, or resolution relating to such bonds.
 29 Bonds, notes, or other evidences of indebtedness may be sold in such manner and

1 from time to time as may be determined by the issuer and the board to be most
2 beneficial, subject to approval of the State Bond Commission.

3 (3) Projects financed or constructed on behalf of a system pursuant to the
4 program established in this Part shall not be required to be included in the annual
5 comprehensive capital budget nor obtain legislative approval as provided in R.S.
6 39:112(G).

7 (4)(a)(i) Projects financed or constructed on behalf of a system pursuant to
8 the program established in this Part shall be administered by the division of
9 administration, office of facility planning and control. The board of a system may
10 enter into agreements with one or more corporations to manage projects which shall
11 comply with the provisions of Public Bid Law. However, the selection of a
12 corporation by the board shall be subject to review by and the approval of the
13 director of the office of facility planning and control, hereinafter referred to in this
14 Paragraph as "director". The commissioner of administration, hereinafter referred
15 to in this Paragraph as "commissioner", shall approve all cooperative endeavor
16 agreements entered into between the board, a corporation, and the state prior to the
17 commencement of any planning, design, or construction activities. Each cooperative
18 endeavor agreement shall set forth the requirements and responsibilities of each party
19 and shall also be in accordance with the guidelines and standards of cooperative
20 endeavor agreements administered by the office of facility planning and control.
21 Each cooperative endeavor agreement shall include an annual appropriation
22 dependency clause and provisions for the selection of designers, contractors, project
23 managers, and other professional services prior to contracts being issued.

24 (ii) Projects undertaken pursuant to the provisions of this Subparagraph shall
25 first be approved by the commissioner and then the commissioner shall submit a list
26 of approved projects to the Joint Legislative Committee on the Budget for approval.
27 The approvals required pursuant to the provisions of this Item shall be secured for
28 each project prior to the expenditure of any funds for planning, design, or
29 construction activities.

1 (iii) Selection of designers, architects, or engineers for any project
2 undertaken pursuant to the provisions of this Subparagraph shall be
3 qualification-based selections and shall be in accordance with the provisions of R.S.
4 38:2318.1.

5 (iv) Monies to pay for the costs of projects shall be disbursed by the director
6 within forty-five days of submission of project expenses to the director by the board.
7 The director may retain up to one percent of the total cost of each project for costs
8 incurred in administering each project.

9 (b)(i) The provisions of Subparagraph (a) of this Paragraph shall not apply
10 to any project with a total installed cost of less than one million dollars undertaken
11 by a board pursuant to the provisions of this Part if the project is approved by the
12 board, the commissioner, and the director. However, the board of a system may, in
13 its discretion, undertake a project with a total installed cost of less than one million
14 dollars in accordance with the provisions of Subparagraph (a) of this Paragraph if the
15 board determines it is cost efficient and in the best interests of the board to do so.

16 (ii) The director shall monitor projects undertaken by a board pursuant to the
17 provisions of this Subparagraph.

18 (iii) Each board shall submit a written report every six months to the
19 commissioner and the Joint Legislative Committee on Capital Outlay which contains
20 information on the number of projects undertaken by the board, the percent of
21 completion of each project, and the total amount of funds expended on each project.

22 (c) Any corporation entering into an agreement pursuant to the provisions
23 of this Part shall submit a written report every six months to the commissioner, the
24 director, and the Joint Legislative Committee on Capital Outlay which contains
25 information on the percent of completion of each project, the amount of monies
26 expended on each project, the amount of monies needed to complete each project,
27 and the expected timelines for completion of the construction of each project.

28 (5) The board shall exercise its authority granted pursuant to R.S. 17:3361
29 et seq. as may be necessary to provide for the completion of the projects enumerated
30 in this Section. The board may grant leases of property under its supervision to a

1 corporation for the purpose of financing projects, and the maximum amount of bonds
 2 that may be issued shall not exceed two billion dollars, together with other
 3 requirements including but not limited to costs of issuance, if any, credit
 4 enhancement, and related costs. Notwithstanding any provision of R.S. 17:3361, et
 5 seq., to the contrary, the term of any lease agreement made for purposes of this Part
 6 shall not exceed thirty years.

7 (6) No bonds, notes, or other evidences of debt may be issued pursuant to the
 8 provisions of this Part before July 1, 2026 and the legislature has provided an
 9 appropriation for such purpose.

10 (7) No bonds, notes, or other evidences of indebtedness may be issued for
 11 any project or by any system for a project to be financed pursuant to this Part after
 12 July 1, 2036.

13 B.(1) The maximum amount of bonds that may be issued to finance projects
 14 pursuant to this Part shall not exceed two billion dollars, together with other
 15 requirements including but not limited to costs of issuance, if any, credit
 16 enhancement, and related costs to be allocated to the board of each system as
 17 follows:

18 (a) The Southern University System, one hundred fifty-three million dollars.

19 (b) The University of Louisiana System, five hundred twenty-three million
 20 dollars.

21 (c) The Louisiana State University System, one billion seventy-one million
 22 dollars.

23 (d) The Louisiana Community and Technical College System, two hundred
 24 fifty-three million dollars.

25 (2) The proceeds of any bonds issued to finance projects pursuant to the
 26 provisions of this Part shall be deposited into the College and University Deferred
 27 Maintenance and Capital Improvement Fund as established in R.S. 17:3369.4.

28 §3369.4. College and University Deferred Maintenance and Capital Improvement
 29 Fund

30 A. There is hereby created as a special fund in the state treasury the College
 31 and University Deferred Maintenance and Capital Improvement Fund, hereinafter

1 referred to in this Section as the "fund". The source of monies in the fund shall be
2 the proceeds of any bonds issued pursuant to the provisions of R.S. 17:3369.3; any
3 monies transferred or appropriated by the legislature including federal funds; all
4 donations, gifts, or grants received by the state for the fund; and any other monies
5 which may be provided for the fund or the purposes of this Part by law. Deposits
6 into the fund shall comply with the provisions of Article VII, Section 9(B) of the
7 Constitution of Louisiana relative to the Bond Security and Redemption Fund. All
8 unexpended and unencumbered monies in the fund at the end of the fiscal year shall
9 remain in the fund. Monies in the fund shall be invested by the treasurer in the same
10 manner as monies in the state general fund and any interest earned on the investment
11 of such monies shall be deposited in and credited to the fund.

12 B. Subject to appropriation, monies in the fund shall be used solely and
13 exclusively by the office of facility planning and control to pay expenses associated
14 with addressing deferred maintenance of public facilities under the control of the
15 board in accordance with the limitations and restrictions provided for in this Part.

16 Section 2. This Act shall become effective upon signature by the governor or, if not
17 signed by the governor, upon expiration of the time for bills to become law without signature
18 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
19 vetoed by the governor and subsequently approved by the legislature, this Act shall become
20 effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____