

2025 Regular Session

SENATE BILL NO. 72

BY SENATORS REESE, BASS, BOUIE, CONNICK, FOIL, JENKINS, LAMBERT,
LUNEAU, MIZELL AND WHEAT

BONDS. Provides relative to the issuance of bonds for financing certain capital improvement projects within the Louisiana Community and Technical College System. (2/3-CA7s6(A))(7/1/25)

AN ACT

To amend and reenact the introductory paragraph of R.S. 17:3394.3(B) and the introductory paragraph of (C) and to enact R.S. 17:3394.3(A)(6) and (D), relative to the issuance of bonds; to provide relative to financing for certain capital improvement projects within the Louisiana Community and Technical College System; to provide for debt service payment obligation limits; to provide for a list of projects authorized to be financed from the issuance of bonds; to require match funds for such projects; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. The introductory paragraph of R.S. 17:3394.3(B) and the introductory paragraph of (C) are hereby amended and reenacted and R.S. 17:3394.3(A)(6) and (D) are hereby enacted to read as follows:

§3394.3. Authority of board to execute agreements related to the finance of capital improvements and enhancements; nonprofit corporation; administration and management of projects

A.(1) * * *

(6) Debt service payment obligations relating to all projects financed in

accordance with this Section and for bonds issued on behalf of nonprofit corporations for facilities operated by the Louisiana Community and Technical College System and payable from state appropriations shall not exceed forty-three million nine hundred thousand dollars per year.

B. For the purposes of this Part, the following projects and the projects set forth in ~~Subsection C~~ **Subsections C and D** of this Section shall comprise the entirety of public facilities and projects to be financed under the authorities of this Part and R.S. 17:3361 et seq. with respect to these projects. The dollar value listed, plus an amount equal to fifteen percent, together with other requirements including but not limited to costs of issuance, capitalized interest, if any, credit enhancement and related costs, is the maximum amount that may be financed for each of the following projects:

* * *

C. The projects set forth in ~~Subsection B~~ **Subsections B and D** of this Section and the following projects shall comprise the entirety of public facilities and projects to be financed under the authorities of this Part and R.S. 17:3361 et seq., with respect to these projects. Each project set forth below shall require a no less than twelve percent private match. No project shall be financed until all private funds are available for that project. The dollar value listed for each project, plus an amount equal to fifteen percent, together with other requirements including but not limited to costs of issuance, capitalized interest, if any, credit enhancement and related costs, is the maximum amount that may be financed for each of the following projects:

* * *

D.(1) The projects set forth in this Subsection may, at the discretion of the board, be financed in accordance with the provisions of Subsection A of this Section. The board shall determine the dollar amount reasonably necessary to complete each project, and such amount shall constitute the value of the project for purposes of Paragraph (A)(5) of this Section.

(2) Any project financed pursuant to this Subsection shall require a

match of not less than twelve percent of the total project cost. No project shall be financed until the match requirement has been satisfied. The fair market value of donated property may be utilized as the source of matching funds.

Authorized projects shall include the following:

(a) Northshore Technical Community College-Hammond Area Campus.

(b) River Parishes Community College-Donaldsonville Campus.

(c) SOWELA Technical Community College-Lamar Salter Campus.

(d) Northwest Louisiana Technical Community College-Shreveport Campus.

(e) Louisiana Delta Community College-Bastrop Campus.

(f) Central Louisiana Technical Community College-Rod Brady Campus.

(g) Central Louisiana Technical Community College-Ward H. Nash Avoyelles Campus.

(h) South Louisiana Community College-T.H. Harris Opelousas Campus.

(3) The board shall periodically complete a facilities needs assessment to determine the condition of its facilities and its strategic priorities for facilities improvements and maintenance. The board may amend the list of projects to include any project it deems necessary or advisable to address facility needs or facilitate economic development.

(4) The board may direct or authorize the execution of facilities-related projects, including but not limited to projects authorized pursuant to R.S. 39:128, to be administered through the corporation.

(5) The scope of the projects may include the development, acquisition, purchase, construction, renovation, improvement, or expansion of facilities, including providing equipment, furnishings, fixtures, and other expenditures incidental or necessary in connection to the projects.

Section 2. This Act shall become effective on July 1, 2025; if vetoed by the governor

- 1 and subsequently approved by the legislature, this Act shall become effective on the day
2 following such approval by the legislature or July 1, 2025, whichever is later.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, 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)]

DIGEST

SB 72 Reengrossed

2025 Regular Session

Reese

Present law authorizes, at the direction of the board of the La. Community and Technical College System (LCTCS), a specific list of construction and improvement projects for facilities and properties in LCTCS to be funded through the issuance of bonds or through financing programs provided by the La. Government Environmental Facilities and Community Development Authority or a public trust. Further provides for requirements and limitations with respect to the issuance of bonds such as the terms of the bonds, the interest rates, requirements for the actual sale of the bonds, and approval by the State Bond Commission. Projects contained in present law are not required to be included in the annual comprehensive capital budget.

Proposed law retains present law.

Present law provides that construction projects shall be managed and administered by a nonprofit corporation established for such purposes, regardless of the source of revenues used to fund such construction projects.

Proposed law retains present law.

Proposed law prohibits debt service payment obligations relating to all project financing or bonds issued on behalf of nonprofit corporations for facilities operated by LCTCS and payable from state appropriations from exceeding \$43,900,000 per year.

Proposed law authorizes financing for a new list of projects at the discretion of the board in accordance with the provisions of present law. Requires the board to determine the dollar amount reasonably necessary to complete each project which shall constitute the value of the project for purposes of present law.

Proposed law provides that the new list of projects shall require a no less than 12% match of the total project cost. No project shall be financed until the match requirement has been satisfied.

Proposed law authorizes the fair market value of donated property to be utilized as a source of matching funds.

Proposed law lists the projects authorized for purposes of proposed law as follows:

- (1) Northshore Technical Community College-Hammond Area Campus.
- (2) River Parishes Community College-Donaldsonville Campus.
- (3) SOWELA Technical Community College-Lamar Salter Campus.
- (4) Northwest Louisiana Technical Community College-Shreveport Campus.
- (5) Louisiana Delta Community College-Bastrop Campus.

- (6) Central Louisiana Technical Community College-Rod Brady Campus.
- (7) Central Louisiana Technical Community College-Ward H. Nash Avoyelles Campus.
- (8) South Louisiana Community College-T.H. Harris Opelousas Campus.

Proposed law requires the board to periodically complete a facilities needs assessment to determine the condition of its facilities and its strategic priorities for facilities improvements and maintenance. Authorizes the board to amend the list of projects to include any project it deems necessary or advisable to address facility needs or facilitate economic development.

Proposed law provides that the scope of the projects may include the development, acquisition, purchase, construction, renovation, improvement or expansion of facilities, including providing equipment, furnishings, fixtures and other expenditures incidental or necessary in connection therewith.

Effective July 1, 2025.

(Amends R.S. 17:3394.3(B)(intro para) and (C)(intro para); adds R.S. 17:3394.3(A)(6) and (D))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

- 1. Removes reference to private match requirements and instead just requires a match requirement of 12%.
- 2. Allows the fair market value of donated property to be used as a source of matching funds.
- 3. Changes the effective date from signature of the governor to July 1, 2025.
- 4. Makes technical changes.

Senate Floor Amendments to engrossed bill

- 1. Provides the required match is 12% of the total project cost.