

Regular Session, 2014

HOUSE BILL NO. 463

BY REPRESENTATIVES WESLEY BISHOP AND BROSSETT

BONDS: Provides for the forgiveness of loans to the city of New Orleans under the Local Debt Service Assistance Program

1 AN ACT

2 To enact Section 7-A of Act No. 41 of the 2006 First Extraordinary Session of the
3 Legislature, relative to the forgiveness of certain debts due to the state of Louisiana
4 pursuant to the Local Debt Service Assistance Program; to authorize the state of
5 Louisiana to forgive certain loans made by the state of Louisiana to the city of New
6 Orleans; to assist the city of new Orleans to pay debt service on their outstanding
7 debt; to provide for an effective date; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Section 7-A of Act No. 41 of the 2006 First Extraordinary Session of the
10 Legislature is hereby enacted to read as follows:

11 Section 7-A. Forgiveness of Debt

12 Notwithstanding any other provision of this Act to the contrary, including
13 specifically Section 7 of this Act, the state of Louisiana is hereby authorized to
14 forgive the amounts, including principal, interest, and premium, owed by the city of
15 New Orleans which borrowed money from the state for the payment of debt service
16 due and payable on qualified bonds, notes, certificates of indebtedness, or other
17 written obligations for the repayment of borrowed money pursuant to the Local Debt
18 Service Assistance Program described in Section 7 of this Act. Such indebtedness
19 owed to the state, which may be evidenced by notes, other evidences of
20 indebtedness, or cooperative endeavor agreements, is hereby canceled and forgiven.

1 The commissioner of administration is authorized to execute such documents or take
2 such action as may be deemed necessary or appropriate to implement the provisions
3 of this Section.

4 Section 2. This Act shall become effective on July 1, 2014; if vetoed by the governor
5 and subsequently approved by the legislature, this Act shall become effective on July 1,
6 2014, or on the day following such approval by the legislature, whichever is later.

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)]

Wesley Bishop

HB No. 463

Abstract: Provides for forgiveness of loans by the state to the city of New Orleans under the Local Debt Service Assistance Program.

Present law authorizes the issuance of state general obligation bonds and other evidences of state debt issued pursuant to present law, (Art. VII, §6 of the Constitution of La. and the Gulf Opportunity Zone Act of 2005) to provide relief from natural catastrophes by providing monies for the payment of debt service of affected political subdivisions and the state.

Present law provides that a portion of the proceeds of the bonds shall be used for distribution to affected political subdivisions pursuant to a program of loans for the payment of debt service on certain debt in accordance with the provisions of the Gulf Opportunity Zone Act of 2005. Present law provides for a local debt service assistance program and provides that such loans shall be made with the expectation of payment to the state pursuant to notes, other evidences of indebtedness, or cooperative endeavor agreements.

Proposed law authorizes the state of La. to forgive the amounts, including principal, interest, and premium, owed by the city of New Orleans which borrowed money from the state for the payment of debt service pursuant to the Local Debt Service Assistance Program. Proposed law cancels and forgives such indebtedness to the state.

Proposed law authorizes the commissioner of administration to execute documents or take action necessary or appropriate to implement the provisions of proposed law.

Effective July 1, 2014.

(Adds §7-A of Act No. 41 of 2006 1st E.S.)