

state if the loan is not fully repaid. Further requires that the rules provide that loan funding may only be used for program-related administrative and legal costs and to purchase tangible items such as equipment, technology, instructional materials, and facility acquisition, construction, renovation, and repairs. Equipment, property, or other items purchased with loan funds shall become the property of the state if the loan is not fully repaid.

- (5) Authorizes BESE to reject any request for loan funding which does not comply with proposed law.
- (6) Provides that loans shall not exceed \$100,000 and shall be used only to pay for school start-up or expansion expenses as provided by law and state board rule.
- (7) Loan funds may not be used to pay prior debts of the organization, corporation or other legal entity which owns, operates, or has any other legal authority over the school, any of the natural persons principally involved in the administration or operation of the nonpublic school, or any former or current business or nonprofit venture of any such natural persons for any purchase not related to the school, or to pay to members of the immediate family of any such natural persons, or to make any investments.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 17:4033)