HLS 15RS-1094 ORIGINAL

2015 Regular Session

HOUSE BILL NO. 756

1

BY REPRESENTATIVES OURSO AND LAMBERT

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TRANSPORTATION: Provides relative to Grant Anticipation Revenue Vehicles (GARVEE) Bonds

AN ACT

2	To amend and reenact R.S. 48:27(A), (B), (C), (D)(1)(a), (E), (H)(12), and (J), relative to
3	Grant Anticipation Revenue Vehicles Bonds; to provide for technical corrections; to
4	provide for the definitions of certain terms; to provide relative to the authority of the
5	State Bond Commission; and to provide for related matters.
6	Be it enacted by the Legislature of Louisiana:
7	Section 1. R.S. 48:27(A), (B), (C), (D)(1)(a), (E), (H)(12), and (J) are hereby
8	amended and reenacted to read as follows:
9	§27. Grant Anticipation Revenue Vehicles
10	A. Short title. This Act Section shall be known and cited as the "Grant
11	Anticipation Revenue Vehicle Act of 2002".
12	B. Legislative findings and determinations. (1) The Legislature of
13	Louisiana hereby finds and determines that the rapid growth of the economy of this
14	state has prompted new and ever-increasing uses of public highways, roads, and
15	other transportation infrastructure, and it is critical to the well-being and quality of
16	life of the citizens of this state that the state address, on an accelerated basis, the
17	long-term transportation needs of this state. The Legislature of Louisiana further
18	determines that current transportation funding mechanisms do not provide adequate
19	revenues to keep pace with the increasing demands of the state's transportation
20	system.

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

(2) By utilizing revenue anticipation bonds for the financing of state
transportation projects that may be financed, in whole or in part, with federal
transportation funds, a significant amount of up-front revenues can be generated for
such transportation projects. This will enable the design and construction of
transportation projects on an accelerated basis. Utilizing revenue anticipation bonds
to finance federal-aid transportation projects and state transportation projects will
result in significant cost savings to the state, since such transportation projects can
be completed at present day costs and at an accelerated pace.
(3) The Legislature of Louisiana further finds and declares that the bonds
authorized herein constitute revenue bonds as provided in Article VII, Section 6 of
the Constitution of Louisiana and the payment of the bonds with the amounts
authorized herein is permitted under Article VII, Section 27 of the Constitution of
Louisiana as part of the department's program for state highway construction.
(4) It is hereby determined that the issuance of the bonds and the program
as herein authorized are in all respects public and governmental purposes for the
improvement of the health, safety, welfare, comfort, and security of the people of the
state, and that said purposes are public purposes and that the State Bond Commission
on behalf of the state of Louisiana will be performing an essential governmental
function and meeting a public obligation in the exercise of the powers conferred
upon it by this Act Section.
C. Definitions. Whenever used in this Act Section, unless a different
meaning clearly appears in the context, the following terms shall mean the following:
(1) "Act" means this Act.
(2) "Bonds" means bonds, notes, or other evidences of indebtedness.
(3)(2) "Constitution" means the constitution of the state, as amended
Louisiana Constitution of 1974.
(4)(3) "Department" means the Department of Transportation and
Development of the state of Louisiana.

1	(5)(4) "Federal transportation funds" means funds paid or reimbursed to the
2	department by the United States Department of Transportation including, without
3	limitation, future Federal Highway Administration obligational authority or Federal
4	Highway Administration reimbursement funds and any other monies payable under
5	Title 23 of the United States Code, as amended from time to time.
6	(6)(5) "Qualified federal-aid transportation project" means any state project
7	that may be financed, pursuant to Article VII, Section 27(B) of the Constitution of
8	Louisiana, in whole or in part, with federal transportation funds means any project
9	to be constructed, in whole or in part, with monies appropriated out of the
10	Transportation Trust Fund, Article VII, Section 27 of the Constitution of Louisiana,
11	including, but not limited a new bridge across the Mississippi River connecting
12	Louisiana Highway 1 to Louisiana Highway 30.
13	(7)(6) "State" means the state of Louisiana.
14	(8)(7) "State Bond Commission" means the State Bond Commission of the
15	state, acting on behalf of the state.
16	(9)(8) "State matching funds" means fees, rates, rentals, taxes, tolls, charges,
17	grants, or other receipts or income derived by or in connection with a transportation
18	project or undertaking, other than federal transportation funds, that may be used by
19	the department to pay the costs of any qualified federal-aid transportation projects
20	or state transportation projects.
21	(10)(9) "State transportation project" means any state transportation project
22	other than the projects enumerated in Act No. 16 of the 1989 First Extraordinary
23	Session of the Louisiana Legislature, including, but not limited a new bridge across
24	the Mississippi River connecting Louisiana Highway 1 to Louisiana Highway 30.
25	D. Power to issue bonds; repayment; principal amount of bonds.
26	(1)(a) The State Bond Commission, or its successor, on behalf of the state,
27	is hereby authorized to issue bonds for the purpose of financing any qualified
28	federal-aid transportation project or state transportation project, including, but not
29	limited a new bridge across the Mississippi River connecting Louisiana Highway 1

1

2

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

to Louisiana Highway 30, secured by a pledge of and payable from any of the following:

3 * * *

E. Resolutions; trust agreement, publication; peremption. The State Bond Commission shall authorize the bonds by a resolution or resolutions adopted by the State Bond Commission. However, the State Bond Commission shall not authorize the issuance of bonds pursuant to this Section unless such bonds and the projects to be funded by them have been previously approved by the Joint Committee on Transportation, Highways and Public Works House Committee on Transportation, Highways and Public Works and the Senate Committee on Transportation, Highways and Public Works. The bonds issued pursuant to this Section may also be secured by a trust agreement by and between the State Bond Commission and one or more corporate trustees or fiscal agents which may be any trust company or bank having the powers of a trust company within or outside the state. Such resolution or trust agreement may provide that the trustee bank shall hold the proceeds of the bond pending expenditure for projects as approved by the Joint Legislative Committee on the Budget. The State Bond Commission after authorizing the issuance of bonds by resolution shall publish once in the official journal of the state, as provided by law, a notice of intention to issue the bonds, which notice shall include a description of the bonds and the security therefor. Within thirty days after the publication, any person in interest may contest the legality of the resolution, any provision of the bonds to be issued pursuant to it, the provision securing the bonds, and the validity of all other provisions and proceedings relating to the authorization and issuance of the bonds. If no action or proceeding is instituted within the thirty days, no person may contest the validity of the bonds, the provisions of the resolution pursuant to which the bonds were issued, the security of the bonds, or the validity of any other provisions or proceedings relating to their authorization and issuance, and the bonds shall be presumed conclusively to be legal. Thereafter no court shall have authority to inquire into such matters.

2 * * *

3 H.

1

5

6

7

8

9

10

12

13

14

15

4 * * *

(12) Complete authority. This Section does and shall be construed to provide a complete method for the doing of the things authorized hereby. No proceedings, notice, or approval shall be required for the issuance of any bonds or of any instruments or security therefor or any credit enhancement except as provided herein. The provisions of this Act Section shall be liberally construed for the accomplishment of its purposes.

* * *

J. Powers. The powers conferred by this Act Section shall be in addition and supplemental to, and not in substitution for, and the limitations imposed by this Act Section shall not directly or indirectly modify, limit, or affect, the powers conferred to the department or the State Bond Commission by any other law.

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)]

HB 756 Original

2015 Regular Session

Ourso

Abstract: Provides relative to the authorization of the State Bond Commission to issue Grant Anticipation Revenue Vehicles (GARVEE bonds).

<u>Present law</u> authorizes the State Bond Commission to issue GARVEE bonds to finance the accelerated construction of certain state transportation projects.

Proposed law retains present law.

<u>Present law</u> defines "state transportation project" as "any state transportation project other than the projects enumerated in Act No. 16 of the 1989 First Extraordinary Session of the Louisiana Legislature." (TIMED projects)

<u>Proposed law</u> adds that "state transportation project" shall also be defined as "including but not limited a new bridge across the Mississippi River connecting Louisiana Highway 1 to Louisiana Highway 30."

<u>Present law</u> provides for the pledge of certain federal highway funds received by the state as security for the bonds.

Page 5 of 6

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

<u>Present law</u> provides that such bonds shall be issued by the State Bond Commission but only after the issuance has been approved by the Joint Committee on Transportation, Highways and Public Works. The Joint Legislative Committee on the Budget also approves expenditures of the proceeds held by trustee banks. Further provides that the aggregate amount of principal and interest on all bonds issued under this authority shall not exceed 10% of annual federal highway funds.

Proposed law provides for technical corrections.

(Amends R.S. 48:27(A), (B), (C), (D)(1)(a), (E), (H)(12), and (J))