

Regular Session, 2008

SENATE BILL NO. 796

BY SENATOR MCPHERSON

FUNDS/FUNDING. Excludes debt secured by a statewide tax or statewide assessment approved by the voters from the state debt limit. (2/3 - CA7s6(F)) (gov sig)

1 AN ACT

2 To amend and reenact R.S. 39:1367(E)(2)(a)(iii), and to enact R.S. 39:1367(E)(2)(b)(v),
3 relative to state debt; to provide that certain debt secured by statewide tax revenues
4 or statewide special assessments be excluded from the definition of net state tax
5 supported debt; to provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 39:1367(E)(2)(a)(iii) is hereby amended and reenacted and R.S.
8 39:1367(E)(2)(b)(v) is hereby enacted to read as follows:

9 §1367. State debt; limitations

10 * * *

11 E. As used in this Section, the following terms shall have the following
12 meanings ascribed to them unless the context clearly indicates otherwise:

13 * * *

14 (2)(a) "Net state tax supported debt" means all of the following debt
15 obligations issued by the state or any entity in the state for which the state is legally
16 obligated to make debt service payments, either directly or indirectly:

17 * * *

1 (iii) Debt secured by statewide tax revenues or statewide special assessments,
2 **unless such debt was authorized by a majority of the electors voting on the**
3 **proposition at a statewide election.**

4 * * *

5 (b) "Net state tax supported debt" shall not mean:

6 * * *

7 **(v) Any debt secured by statewide tax revenues or statewide special**
8 **assessments which debt was authorized by a majority of the electors voting on**
9 **the proposition at a statewide election.**

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

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Martha S. Hess.

DIGEST

McPherson (SB 796)

Present law provides for a limit on the issuance of net state tax supported debt of the state.

Present law, relative to state debt limitations, defines "net state tax supported debt" to mean all of the following debt obligations issued by the state or any entity in the state for which the state is legally obligated to make debt service payments:

- (1) General obligation bonds secured by the full faith and credit of the state.
- (2) Debt secured by capital leases of immovable property payable by the state or annual appropriations of the state.
- (3) Debt secured by statewide tax revenues or statewide special assessments.
- (4) Any funds advanced by a political subdivision in accordance with R.S. 47:820.2.
- (5) Bonds secured by self-supported revenues which in the first instance may not be sufficient to pay debt service and will then draw on the full faith and credit of the state.

Present law provides that "net state tax supported debt" shall not include:

- (1) Any obligations owed by the state pursuant to the State Employment Security Law.

- (2) Cash flow borrowings payable from revenue attributable to one fiscal year.
- (3) Bonds or notes, including refunding bonds or notes, issued by the state pursuant to Section 4 or 5 of Act No. 41 of the 2006 1st ES.
- (4) Any bond, note, certificate, warrant, reimbursement obligation, or other evidence of indebtedness issued pursuant to R.S. 23:1532.1.

Proposed law retains present law but provides that "net state tax supported debt" shall also not include any debt secured by statewide tax revenues or statewide special assessments which debt was authorized by a majority of the electors voting on the proposition at a statewide election.

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

(Amends R.S. 39:1367(E)(2)(a)(iii); adds R.S. 39:1367(E)(2)(b)(v))