

Regular Session, 2013

HOUSE BILL NO. 673

BY REPRESENTATIVE ADAMS

HIGHER ED/BD REGENTS: Provides relative to facilities maintenance and repair at public postsecondary education institutions

1 AN ACT

2 To enact R.S. 17:3048.1(Y) and Part XII of Chapter 26 of Title 17 of the Louisiana Revised  
3 Statutes of 1950, to be comprised of R.S. 17:3400.1 through 3400.6, relative to  
4 financing facility repairs at public postsecondary education institutions; to authorize  
5 the imposition of a fee for such purposes; to authorize the Louisiana Local  
6 Government Environmental Facilities and Community Development Authority to  
7 issue bonds secured by the fee for such purpose; to require the Board of Regents to  
8 establish guidelines to be used in identifying projects eligible for funding; to provide  
9 relative to lease agreements for property of the institutions as an element of such  
10 projects; and to provide for related matters.

11 Be in enacted by the Legislature of Louisiana:

12 Section 1. R.S. 17:3048.1(Y) and Part XII of Chapter 26 of Title 17 of the Louisiana  
13 Revised Statutes of 1950, comprised of R.S. 17:3400.1 through 3400.6, are hereby enacted  
14 to read as follows:

15 §3048.1. Program awards; eligibility; amounts; limitations; funding; administration

16 \* \* \*

17 Y. No award made pursuant to the provisions of this Chapter shall be used  
18 to pay the fee authorized in R.S. 17:3400.6.

19 \* \* \*

1 PART XII: HIGHER EDUCATION2 DEFERRED MAINTENANCE FINANCING PROGRAM3 §3400.1. Title; legislative findings4 A. This Part may be cited as the "Higher Education Deferred Maintenance  
5 Financing Program Act".6 B. The legislature finds and declares that:7 (1) It is an important public purpose of the state to maintain the facilities  
8 from which the institutions of higher education of the state operate and educate  
9 students in order to protect the investment of the state and such institutions in the  
10 facilities.11 (2) There is a significant need for funding of deferred maintenance and  
12 repairs to facilities on the campuses of such institutions.13 (3) There are currently insufficient state resources to address all of the  
14 deferred maintenance and repair needs on campuses of institutions of higher  
15 education throughout the state and addressing these needs with minimal effect on the  
16 state budget is a priority.17 §3400.2. Definitions18 As used in this Part, the following terms have the meanings ascribed to them  
19 in this Section unless the context clearly indicates otherwise:20 (1) "Administrative costs" means costs incurred by the authority in the  
21 administration of the program, including but not limited to:22 (a) Program startup costs.23 (b) Financial administrative costs of servicing loans and issuing debt.24 (c) Costs associated with establishing assistance priorities and carrying out  
25 oversight and related activities other than financial administration.26 (d) Financial, management, and legal consulting fees.27 (e) Any reasonable and necessary expense that the authority determines is  
28 necessary to effectively administer the program.

1           (2) "Authority" means the Louisiana Local Government Environmental  
2           Facilities and Community Development Authority as created by R.S. 33:4548.4.

3           (3) "Board" has the meaning provided for in this Chapter.

4           (4) "Fee" means the Building Deferred Maintenance and Use Fee authorized  
5           by R.S. 17:3400.6.

6           (5) "Institution" means a Louisiana institution of public postsecondary  
7           education.

8           (6) "Program" means the Higher Education Deferred Maintenance Financing  
9           Program.

10           (7) "Qualified projects" means deferred maintenance and repair projects for  
11           facilities on the campus of an institution meeting the qualifications established by the  
12           Board of Regents.

13           §3400.3. Higher Education Deferred Maintenance Financing Program

14           A. To facilitate a state effort to provide funding for deferred maintenance  
15           and repairs to facilities on the campuses of institutions, the Higher Education  
16           Deferred Maintenance Financing Program is hereby established. The authority shall  
17           operate the program subject to and in accordance with this Part and with the  
18           guidelines established by the Board of Regents for approving qualified projects  
19           pursuant to this Part.

20           B. The Board of Regents shall establish guidelines for identification of  
21           qualified projects to be funded through the program and the methods for approving  
22           qualified projects.

23           C. The authority shall operate the program in order to provide financial  
24           assistance to institutions, in the manner provided for in this Part, for the costs of  
25           completing qualified projects.

26           §3400.4. Lease agreements

27           A board shall exercise the authority granted pursuant to R.S. 17:3361 et seq.  
28           as necessary to provide for the completion of qualified projects.

1        §3400.5. Identification of qualified projects; issuance of bonds

2            A. Each board shall submit to the authority a list of facility maintenance and  
3        repair projects on campuses of institutions that constitute qualified projects pursuant  
4        to the guidelines established by the Board of Regents.

5            B. Application shall be made to the authority by or on behalf of each  
6        institution participating in the program. After the authority has reviewed such  
7        applications and has verified that each project meets the criteria for being considered  
8        a qualified project, the authority shall issue bonds to finance the qualified projects.  
9        The proceeds of the bonds issued by the authority shall be loaned by the authority  
10       for the purpose of financing the costs of completing the qualified projects on behalf  
11       of each institution and the costs of issuing the bonds, including the administrative  
12       costs. No bonds shall be issued pursuant to this Part without the approval of the  
13       State Bond Commission.

14           C. In order to ensure that the proceeds of each issuance of bonds pursuant to  
15        this Part are distributed equitably to each institution participating in the program and  
16        in proportion to the amount of Building Deferred Maintenance and Use Fees  
17        collected, the proceeds of each issuance of such bonds shall be loaned to each  
18        institution for qualified projects at the institution in proportion to a fraction, the  
19        numerator of which is equal to the amount collected from fees by the institution and  
20        the denominator of which is equal to the total collections from such fees by all  
21        institutions participating in the particular issuance of bonds.

22           D. All amounts collected from fees remaining after the payment of debt  
23        service on the bonds issued pursuant to this Section shall be remitted to the  
24        institutions collecting the fee in proportion to the amount of bond proceeds allocated  
25        to each institution.

26        §3400.6. Building Deferred Maintenance and Use Fee

27           A. For purposes of paying for debt service on bonds issued by the authority  
28        pursuant to this Part and notwithstanding any provision of law to the contrary, each  
29        board shall have a single authorization to impose a Building Deferred Maintenance

1           and Use Fee with respect to all institutions under its management in an amount not  
 2           to exceed fifty dollars per student per semester. The authority granted in this  
 3           Subsection includes the authority to impose proportional amounts for part-time  
 4           students, for intersessions, and for summer sessions.

5           B. Proceeds of the fee shall be pledged by each management board toward  
 6           repayment of the bonds issued by the authority pursuant to this Part.

7           C. The fee shall not be a cost payable through a Taylor Opportunity Program  
 8           for Students award.

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

#### 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)]

Adams

HB No. 673

**Abstract:** Establishes a program to provide financing for maintenance and repair of facilities on college and university campuses; the program includes a fee that may be imposed on students and the issuance of bonds, secured by the fee, by the La. Local Government Environmental Facilities and Community Development Authority.

Proposed law establishes the Higher Education Deferred Maintenance Financing Program to facilitate funding for deferred maintenance and repairs to facilities on the campuses of La. public postsecondary education institutions. Provides that the La. Local Government Environmental Facilities and Community Development Authority, the "authority", shall operate the program, including issuing bonds to provide funds for maintenance and repair projects, and the Board of Regents shall establish guidelines for identification of qualified projects and the methods for approving qualified projects.

Present law authorizes the public postsecondary education management boards to lease any portion of the grounds or campus of an institution or other immovable property under its supervision and management for a term not to exceed 99 years. Authorizes such leases with fraternities and sororities, religious organizations, public bodies, military organizations, and private entities subject to certain conditions and limitations. Authorizes the board to permit the lessee to construct and maintain fraternity or sorority houses or homes, student centers, facilities for religious worship and instruction, armories, storehouses, and other structures. Provides that contracts for such work are not public works contracts. Provides that architectural plans for such structures are subject to board approval.

Proposed law requires the postsecondary education management boards to exercise the authority granted by present law as necessary to provide for the completion of qualified projects.

Proposed law grants a one-time authorization to the management boards to impose a fee up to \$50 per student per semester and proportional amounts for part-time students for intersessions and for summer sessions. Requires that money collected from such fee be pledged to the repayment of bonds issued pursuant to proposed law. Provides that the fee shall not be a cost payable through a Taylor Opportunity Program for Students award.

Proposed law provides for identification of qualified projects. Requires the management boards to submit to the authority lists of projects and to apply to the authority on behalf of each institution participating in the program. Provides that after determining that the proposed projects are qualified projects pursuant to Board of Regents's guidelines, the authority shall issue bonds to finance the qualified projects. Requires State Bond Commission approval of any such bond issue.

Proposed law provides that the proceeds of such bonds shall be loaned on behalf of each institution to finance the costs of completing the projects and the costs of issuing the bonds, including administrative costs. Provides that funds are available to institutions in the proportion of fees it collected to total fees collected pursuant to the program. Amounts remaining after the payment of debt service on the bonds shall be remitted to the institutions collecting the fee in the same proportion.

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

(Adds R.S. 17:3048.1(Y) and 3400.1-3400.6)