

2022 Regular Session

SENATE BILL NO. 277

BY SENATOR CORTEZ

FUNDS/FUNDING. Creates the the Megaprojects Leverage Fund. (gov.sig)

1 AN ACT

2 To amend and reenact the introductory paragraph of R.S. 48:77(A) and 77(B), to enact R.S.
3 48:77.1 and 77.2, and to repeal R.S. 48:77(E), relative to the creation of the
4 Megaprojects Leverage Fund and certain accounts therein; to provide for the deposit
5 of monies into the fund; to provide for the use of monies so deposited; to provide
6 relative to the issuance of bonds; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. The introductory paragraph of R.S. 48:77(A) and 77(B) are hereby
9 amended and reenacted and R.S. 48:77:1 and 77.2 are hereby enacted to read as follows:

10 §77. Transportation Trust Fund; dedication and uses of certain monies to the

11 Construction Subfund **and the Megaprojects Leverage Fund**

12 A. The avails of the taxes imposed by Chapters 2, 2-A, and 2-B of Subtitle
13 II of Title 47 of the Louisiana Revised Statutes of 1950 from the sale, use, or lease
14 of motor vehicles that are taxable pursuant to Chapters 2, 2-A, and 2-B of Subtitle
15 II of Title 47 of the Louisiana Revised Statutes of 1950, after satisfying the
16 requirements of Article VII, Section 9(B) of the Constitution of Louisiana relative
17 to the Bond Security and Redemption Fund, shall be deposited into the

1 percent of that portion of the avails of the taxes imposed by Chapters 2, 2-A,
2 and 2-B of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, from
3 the sale, use, or lease of motor vehicles that are taxable pursuant to Chapters
4 2, 2-A, and 2-B of Subtitle II of Title 47 of the Louisiana Revised Statutes of
5 1950, provided for in R.S. 48:77(A). During any fiscal year beginning with
6 Fiscal Year 2024-2025 in which the Revenue Estimating Conference revises the
7 Official Forecast resulting in a decrease in recurring state general fund revenue
8 for the current year of one hundred million dollars or more from the Official
9 Forecast at the beginning of the current fiscal year, the state treasurer shall
10 deposit into the Megaprojects Leverage Fund one hundred twelve million five
11 hundred thousand dollars. Once all projects described in R.S. 48:77(C)(1) have
12 been completed and issued final acceptance, and any outstanding debt issued
13 under R.S. 48:77.2 has been either repaid or defeased, there shall be no further
14 deposits into the Megaprojects Leverage Fund.

15 (1) There is hereby created as a special account in the fund to be
16 designated and referred to in this Section as the I-10 Calcasieu River Bridge and
17 I-10 Improvements Account. The source of monies in this account shall be
18 twenty-five percent of the monies deposited in the fund each fiscal year, any
19 monies appropriated to the account by the legislature, including federal funds,
20 donations, gifts, or grants, and any other monies as may be provided by law.
21 Once the project described in R.S. 48:77(C)(1)(a) has been completed and issued
22 final acceptance, and any outstanding debt related to that project issued under
23 R.S. 48:77.2 has been either repaid or defeased, the I-10 Calcasieu River Bridge
24 and I-10 Improvements Account shall receive no further deposits, and monies
25 that would have been deposited into that account shall be divided equally
26 between accounts within the fund that are still eligible to receive deposits.

27 (2) There is hereby created as a special account in the fund to be
28 designated and referred to in this Section as the I-49 South Leverage Fund
29 Account. The source of monies in this account shall be twenty-five percent of the

1 monies deposited in the fund each fiscal year, any monies appropriated to the
2 account by the legislature, including federal funds, donations, gifts, or grants,
3 and any other monies as may be provided by law. Once the project described
4 in R.S. 48:77(C)(1)(b) has been completed and issued final acceptance, and any
5 outstanding debt related to that project issued under R.S. 48:77.2 has been
6 either repaid or defeased, the I-49 South Leverage Fund Account shall receive
7 no further deposits, and monies that would have been deposited into that
8 account shall be divided equally between accounts within the fund that are still
9 eligible to receive deposits.

10 (3) There is hereby created as a special account in the fund to be
11 designated and referred to in this Section as the Mississippi River Bridge at
12 Baton Rouge and Connections Account. The source of monies in this account
13 shall be twenty-five percent of the monies deposited in the fund each fiscal year,
14 any monies appropriated to the account by the legislature, including federal
15 funds, donations, gifts, or grants, and any other monies as may be provided by
16 law. Once the project described in R.S. 48:77(C)(1)(c) has been completed and
17 issued final acceptance, and any outstanding debt related to that project issued
18 under R.S. 48:77.2 has been either repaid or defeased, the Mississippi River
19 Bridge at Baton Rouge and Connections Account shall receive no further
20 deposits, and monies that would have been deposited into that account shall be
21 divided equally between accounts within the fund that are still eligible to receive
22 deposits.

23 (4) There is hereby created as a special account in the fund to be
24 designated and referred to in this Section as the I-49 North Leverage Fund
25 Account. The source of monies in this account shall be twenty-five percent of the
26 monies deposited in the fund each fiscal year, any monies appropriated to the
27 account by the legislature, including federal funds, donations, gifts, or grants,
28 and any other monies as may be provided by law. Once the project described
29 in R.S. 48:77(C)(1)(d) has been completed and issued final acceptance, and any

1 outstanding debt related to that project issued under R.S. 48:77.2 has been
2 either repaid or defeased, the I-49 North Leverage Fund Account shall receive
3 no further deposits, and monies that would have been deposited into that
4 account shall be divided equally between accounts within the fund that are still
5 eligible to receive deposits.

6 B. Monies in the fund shall be invested by the treasurer in the same
7 manner as the state general fund, and interest earnings shall be deposited into
8 the fund. All unexpended and unencumbered monies remaining in the fund at
9 the end of each fiscal year shall remain in the fund.

10 C. Monies in the fund shall be appropriated and expended only in
11 accordance with this Subsection:

12 (1) For transfer to the State Bond Commission, hereinafter referred to
13 as the "commission", to pay the costs of the principal, premium, and interest of
14 motor vehicle sales and use tax bonds issued by the commission pursuant to R.S.
15 48:77.2 as the bonds become due and payable; to fund such reserves for
16 contingencies, costs, and expenses related to bonds issued pursuant to R.S.
17 48:77.2, as may be required by the resolution authorizing the issuance of such
18 bonds; and to pay amounts of ongoing expenses associated with the
19 administration, maintenance, or evaluation of bonds issued pursuant to R.S.
20 48:77.2, as follows:

21 (a) Funds from the I-10 Calcasieu River Bridge and I-10 Improvements
22 Account to be used exclusively for costs of debt, the proceeds of which are to be
23 used for the planning, preconstruction, construction, and procurement activities
24 related to the project described in R.S. 48:77(C)(1)(a).

25 (b) Funds from the I-49 South Leverage Fund Account to be used
26 exclusively for costs of debt, the proceeds of which are to be used for the
27 planning, preconstruction, construction, and procurement activities related to
28 the project described in R.S. 48:77(C)(1)(b).

29 (c) Funds from the Mississippi River Bridge at Baton Rouge and

1 Connections Account to be used exclusively for costs of debt, the proceeds of
2 which are to be used for the planning, preconstruction, construction, and
3 procurement activities related to the project described in R.S. 48:77(C)(1)(c).

4 (d) Funds from the I-49 North Leverage Fund Account to be used
5 exclusively for costs of debt, the proceeds of which are to be used for the
6 planning, preconstruction, construction, and procurement activities related to
7 the project described in R.S. 48:77(C)(1)(d).

8 (2) For transfer to the Construction Subfund of the Transportation Trust
9 Fund:

10 (a) Funds from the I-10 Calcasieu River Bridge and I-10 Improvements
11 Account to be used exclusively for costs of planning, preconstruction,
12 construction, and procurement activities related to the project described in R.S.
13 48:77(C)(1)(a).

14 (b) Funds from the I-49 South Leverage Fund Account to be used
15 exclusively for costs of planning, preconstruction, construction, and
16 procurement activities related to the project described in R.S. 48:77(C)(1)(b).

17 (c) Funds from the Mississippi River Bridge at Baton Rouge and
18 Connections Account to be used exclusively for costs of planning,
19 preconstruction, construction, and procurement activities related to the project
20 described in R.S. 48:77(C)(1)(c).

21 (d) Funds from the I-49 North Leverage Fund Account to be used
22 exclusively for costs of planning, preconstruction, construction, and
23 procurement activities related to the project described in R.S. 48:77(C)(1)(d).

24 §77.2. Bonds

25 A. (1) Without reference to any provision of the Constitution of
26 Louisiana and the laws of this state, and as a grant of power in addition to any
27 other general or special law, the State Bond Commission, referred to in this
28 Section as "the commission", is hereby authorized to issue motor vehicle sales
29 and use tax bonds, referred to in this Section as "motor vehicle sales and use tax

1 bonds" or "bonds", and pledge for the payment of the principal and interest
2 such portion of the motor vehicle sales and use tax as is to be deposited into the
3 Megaprojects Leverage Fund pursuant to R.S. 48:77.1; provided, however, that
4 the total amount of funds so pledged shall not exceed an aggregate amount of
5 twenty-five million dollars per year from any individual account established by
6 R.S. 48:77.1. Such bonds shall only be issued for individual projects and secured
7 by funds held or to be received in a corresponding specific account provided for
8 in R.S. 48:77.1. Proceeds of any such bonds, except monies needed to fund
9 reserves and pay costs of issuance, and to the extent not needed to pay debt
10 service or other amounts due under the resolution authorizing the bonds, shall
11 be deposited in the Construction Subfund of the Transportation Trust Fund and
12 expended only in accordance with R.S. 48:77.1. The commission is further
13 authorized, in its discretion, to pledge all or any part of any gift, grant,
14 donation, or other sum of money, aid, or assistance from the United States, the
15 state, or any political subdivision, thereof, unless otherwise restricted by the
16 terms thereof, all or any part of the proceeds of bonds, credit agreements,
17 instruments, or other money of the commission, from whatever source derived,
18 for the further securing of the payment of the principal and interest of the
19 bonds, including any monies provided to the commission from the Department
20 of Transportation and Development. Any bonds shall be payable solely from
21 revenues and bond proceeds, pending their disbursement, and investment
22 income thereon. Such bonds are deemed to be "revenue bonds" as permitted
23 under Article VII, Section 6(C) of the Louisiana Constitution of 1974, as
24 amended.

25 (2) In accordance with the provisions of Article VII, Section 9(A)(6) of
26 the Louisiana Constitution of 1974, as amended, there is hereby established a
27 special fund to be designated and hereafter referred to as the Motor Vehicle
28 Sales and Use Tax Bond Fund, with appropriate subaccounts to be established,
29 for the purpose of providing for the securitization of any bonds which may be

1 issued pursuant to the provisions of this Section which shall include
2 requirements for reserves and credit enhancement devices, all as may be
3 provided in any resolution, trust agreement, indenture, or other instrument
4 pursuant to which such bonds were issued. The Motor Vehicle Sales and Use
5 Tax Bond Fund shall be administered by a trustee as designated by the State
6 Bond Commission. The source of monies for the Motor Vehicle Sales and Use
7 Tax Bond Fund shall be such portion of the avails of the taxes imposed by
8 Chapters 2, 2-A, and 2-B of Subtitle II of Title 47 of the Louisiana Revised
9 Statutes of 1950 from the sale, use, or lease of motor vehicles that are taxable
10 (referred to in this Section as "motor vehicle sales and use tax receipts")
11 pursuant to Chapters 2, 2-A, and 2-B of Subtitle II of Title 47 of the Louisiana
12 Revised Statutes of 1950 as may be transferred to the State Bond Commission
13 pursuant to R.S. 48:77.1. All such transferred funds shall be classified and set
14 aside in the separately identifiable fund or account outside of the state treasury
15 and named above, but maintained by the state treasury, and such revenues shall
16 be assigned and pledged to the trustee under the documents pursuant to which
17 the bonds were issued for the benefit of the holders of the bonds.

18 (3) The motor vehicle sales and use tax receipts which have been
19 transferred to the State Bond Commission pursuant to R.S. 48:77.1 and this
20 Section shall be applied to pay or provide for the payment of debt service and
21 all related costs and expenses associated therewith on motor vehicle sales and
22 use tax bonds issued by the commission for specific projects as set forth in R.S.
23 48:77.1. At no time shall payments made from any individual account created
24 in R.S. 48:77.1 exceed twenty-five million dollars per year.

25 (4) The resolution or resolutions under which motor vehicle sales and use
26 tax bonds are authorized to be issued may contain any or all of the following:

27 (a) Provisions respecting custody of the proceeds from the sale of the
28 bonds, including any requirements that such proceeds be held separate from or
29 not be commingled with other funds of the state.

1 **(b) Provisions for the investment and reinvestment of motor vehicle sales**
2 **and use tax bond proceeds until used to pay the costs of the projects for which**
3 **the bonds were issued or the costs of financing the bonds, and for the disposition**
4 **of any excess bond proceeds or investment earnings thereon.**

5 **(c) Provisions for the execution of reimbursement agreements or similar**
6 **agreements in connection with credit facilities, including but not limited to**
7 **letters of credit or policies of bond insurance, remarketing agreements, and**
8 **credit enhancement devices, for the purpose of moderating interest rate**
9 **fluctuations.**

10 **(d) Provisions for the collection, custody, investment, reinvestment, and**
11 **use of the pledged revenues or other receipts, funds, or monies pledged therefor**
12 **and transferred or to be transferred pursuant to this Section.**

13 **(e) Provisions regarding the establishment and maintenance of reserves,**
14 **sinking funds, and any other funds, and accounts as shall be approved by the**
15 **commission in such amounts as may be established by the commission, and the**
16 **regulation and disposition thereof, including requirements that any such funds**
17 **and accounts be held, separate from or not be commingled with other funds.**

18 **(f) Covenants for the establishment of pledged revenue coverage**
19 **requirements for, the motor vehicle sales and use tax bonds.**

20 **(g) Provisions for the issuance of additional motor vehicle sales and use**
21 **tax bonds on a parity or subordinate basis with motor vehicle sales and use tax**
22 **bonds theretofore issued, including establishment of coverage requirements**
23 **with respect thereto for the projects permitted in R.S. 48:77(C).**

24 **(h) Provisions or covenants of like or different character from the**
25 **foregoing that are determined in such proceedings as necessary, convenient, or**
26 **desirable in order to better secure the motor vehicle sales and use tax bonds, or**
27 **will tend to make the motor vehicle sales and use tax bonds more marketable,**
28 **and that are in the best interests of the state, including, without limitation,**
29 **cooperative endeavor agreements with the Division of Administration on behalf**

1 of the state with respect to replenishment of any reserve funds for the bonds,
2 which cooperative endeavor agreements are authorized to be executed by the
3 commission and the Division of Administration if deemed necessary and
4 desirable by these parties to enhance the creditworthiness of the bonds.

5 B. Bonds issued under the provisions of this Section shall not be deemed
6 to constitute a pledge of the full faith and credit of the state or of any
7 governmental unit thereof. All such bonds shall contain a statement on their
8 face substantially to the effect that neither the full faith and credit of the state
9 nor the full faith and credit of any public entity of the state are pledged to the
10 payment of the principal of or the interest on such bonds. The issuance of bonds
11 under the provisions of this Section shall not directly, indirectly, or contingently
12 obligate the state or any governmental unit of the state to levy any taxes
13 whatever therefor or to make any appropriation for their payment, other than
14 obligations to make payments by the state or any public entity to the
15 commission arising out of contracts, including, without limitation the bonds, the
16 bond resolution, and trust indentures authorized under this Section.

17 C. Bonds shall be authorized by a resolution of the commission and shall
18 be of such series, bear such date or dates, mature at such time or times, bear
19 interest at such rate or rates, including but not limited to fixed, variable, or zero
20 rates, be payable at such time or times, be in such denominations, be in such
21 form, carry such registration and exchangeability privilege, be payable in such
22 medium of payment and at such place or places, be subject to such terms of
23 redemption prior to maturity at such price or prices as determined by the
24 commission, and be entitled to such priority on the revenues as such resolution
25 or resolutions may provide.

26 D. Bonds shall be sold by the commission at public sale by competitive
27 bid or negotiated private sale and at such price as the commission may
28 determine to be in the best interest of the state.

29 E. The issuance of motor vehicle sales and use tax bonds shall not be

1 subject to any limitations, requirements, or conditions contained in any other
2 law, and bonds may be issued without obtaining the consent of the state or any
3 political subdivision, or of any agency, commission, or instrumentality thereof,
4 except that bonds issued pursuant to this Section shall be included in the
5 calculation of "net state tax supported debt" as defined in R.S. 39:1367. The
6 bonds shall be issued in compliance with the provisions of this Section.

7 F. For a period of thirty days after the date of publication of a notice of
8 intent to issue bonds in the official journal of the state authorizing the issuance
9 of bonds pursuant to this Section, any person in interest shall have the right to
10 contest the legality of the resolution and the legality of the bond issue for any
11 cause, but after that time no one shall have any cause or right of action to
12 contest the legality of the resolution or of the bonds or the security therefor for
13 any cause whatsoever. If no suit, action, or proceeding is begun contesting the
14 validity of the resolution, the bonds or the security therefor within this
15 prescribed thirty-day period, the commission is authorized to issue the bonds
16 and to provide for the payment thereof, the legality thereof, and of all of the
17 provisions of the resolution authorizing the issuance of the bonds shall be
18 conclusively presumed to be legal and shall be incontestable. Any notice of
19 intent so published shall set forth in reasonable detail the purpose of the bonds,
20 the security therefor, and the parameters of amount, duration, and interest
21 rates. The commission may designate any paper of general circulation in its
22 geographical jurisdiction to publish the notice of intent or may utilize electronic
23 media available to the general public. Any suit to determine the validity of
24 bonds issued by the commission shall be brought only in accordance with the
25 provisions of R.S. 13:5121 et seq.

26 G. All bonds issued pursuant to this Section shall have all the qualities
27 of negotiable instruments under the commercial laws of the state.

28 H. Any pledge of revenues or other monies made by the commission shall
29 be valid and binding from the time when the pledge is made. The revenues or

1 monies so pledged and thereafter received by the commission shall immediately
2 be subject to the lien of such pledge without any physical delivery thereof or
3 further act, and the lien of any such pledge shall be valid and binding as against
4 all parties having claims of any kind in tort, contract, or otherwise against the
5 commission irrespective of whether such parties have notice thereof. Any trust
6 agreement or other instrument by which a pledge is created need not be filed or
7 recorded except in the official records of the commission.

8 I. Neither the members of the commission nor any person executing the
9 bonds shall be liable personally for the bonds or be subject to any personal
10 liability or accountability by reason of the issuance thereof.

11 J. Bonds of the commission, their transfer, and the income therefrom
12 shall at all times be exempt from all taxation by the state or any political
13 subdivision thereof, and may or may not be exempt for federal income tax
14 purposes. The bonds issued pursuant to this Section shall be and are hereby
15 declared to be legal and authorized investments for banks, savings banks, trust
16 companies, building and loan associations, insurance companies, fiduciaries,
17 trustees, and guardians. Such bonds shall be eligible to secure the deposit of any
18 and all public funds of the state and any and all public funds of municipalities,
19 parishes, school districts, or other political corporations or subdivisions of the
20 state. Such bonds shall be lawful and sufficient security for the deposits to the
21 extent of their value. When any bonds shall have been issued hereunder, neither
22 the legislature, the commission, nor any other entity may discontinue or
23 decrease the revenues pledged to the payment of the bonds authorized pursuant
24 to this Section or permit to be discontinued or decreased the revenues in
25 anticipation of the collection of which such bonds have been issued, or in any
26 way make any change in the allocation and dedication of the revenues which
27 would diminish the amount of the revenues to be received by the commission,
28 until all of such bonds shall have been retired as to principal and interest, and
29 there is hereby vested in the holders from time to time of such bonds a contract

1 right in the provisions of this Section.

2 K. The commission may provide by resolution for the issuance of
3 refunding bonds pursuant to R.S. 39:1444 et seq.

4 L. The holders of any bonds issued pursuant to this Section shall have
5 such rights and remedies as may be provided in the resolution or trust
6 agreement authorizing the issuance of the bonds, including but not by way of
7 limitation appointment of a trustee for the bondholders and any other available
8 civil action to compel compliance with the terms and provisions of the bonds
9 and the resolution or trust agreement.

10 M. Subject to the agreements with the holders of bonds, all proceeds of
11 bonds and all revenues pledged under a resolution or trust agreement
12 authorizing or securing such bonds shall be deposited and held in trust in a fund
13 or funds separate and apart from all other funds of the state. Subject to the
14 resolution or trust agreement, the trustee shall hold the same for the benefit of
15 the holders of the bonds for the application and disposition thereof solely to the
16 respective uses and purposes provided in such resolution or trust agreement.

17 N. The commission is authorized to employ all professionals it deems
18 necessary in the issuance of its bonds.

19 O. The commission is authorized to enter into any and all agreements or
20 contracts, execute any and all instruments, and do and perform any and all acts
21 necessary, convenient, or desirable for the issuance of the bonds or to carry out
22 any power expressly given in this Section.

23 P. The commission shall be deemed to be a public entity for purposes of
24 Chapters 13, 13-A, 14, 14-A, 14-B, and 15-A of Title 39 of the Louisiana Revised
25 Statutes of 1950, as amended, which statutes shall apply to bonds of the
26 commission, provided that in the event of a conflict with the provisions of this
27 Section, the provisions of this Section shall control.

28 Q. The provisions of this Section shall become null, void, and of no effect
29 on the date that all bonds issued by the commission pursuant to this Section are

1 paid or deemed paid in full and are no longer considered outstanding or the
 2 projects permitted in R.S. 48:77(C) are deemed completed by the Department
 3 of Transportation and Development, whichever is later.

4 R. Notwithstanding any other provision of law to the contrary, any
 5 revenues deposited in the bond fund that are pledged to the repayment of any
 6 bonds issued in accordance with this Section may be collected and disbursed in
 7 accordance with the documents pursuant to which such bonds were issued.

8 Section 2. R.S. 48:77(E) is hereby repealed.

9 Section 3. 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.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Leonore Heavey.

DIGEST

SB Original

2022 Regular Session

Cortez

Present law provides that the taxes collected from the taxable sale, use, or lease of motor vehicles, after satisfying the requirements of the Bond Security and Redemption Fund, shall be deposited into the Construction Subfund (subfund) of the Transportation Trust Fund.

Proposed law retains present law but provides that the taxes collected from the taxable sale, use, or lease of motor vehicles shall also be deposited into the Megaprojects Leverage Fund.

Present law provides that in any fiscal year beginning with Fiscal Year 24-25, if the Revenue Estimating Conference revises the Official Forecast resulting in a decrease of \$100 million or more from the Official Forecast at the beginning of the current fiscal year, the amount of avails deposited into the subfund may not exceed \$150 million for that fiscal year.

Proposed law retains present law but provides that the combined amount of tax avails deposited into the Megaprojects Leverage Fund and the subfund may not exceed \$150 million for that fiscal year.

Present law provides that no debt shall be issued which in the aggregate exceeds \$150 million that is secured by monies deposited into the subfund. Proposed law repeals present law.

Proposed law creates the Megaprojects Leverage Fund in the state treasury and directs the state treasurer, during any FY beginning with FY 24-25, to deposit 75% of the avails of the tax on the sale, use, or lease of motor vehicles to be deposited into the Megaprojects Leverage Fund, provided that if the Official Forecast of the Revenue Estimating Conference of state general fund revenues for the current FY are decreased by \$100 million or more

from the original Official Forecast, the state treasurer shall only deposit \$112,500,000 into the Megaprojects Leverage Fund. Once all projects payable from the Megaprojects Leverage Fund have been completed and issued final acceptance, and any outstanding debt secured by the Megaprojects Leverage Fund has been paid or defeased, there shall be no more deposits to the Megaprojects Leverage Fund.

Proposed law creates four special accounts in the Megaprojects Leverage Fund, into each of which shall be deposited 25% of the amount deposited into the Megaprojects Leverage Fund each year as well as any other monies appropriated to each special account each year. The four special accounts are the I-10 Calcasieu River Bridge and I-10 Improvements Account, the I-49 Leverage Fund Account, the Mississippi River at Baton Rouge and Connections Account, and the I-49 North Leverage Fund Account. Proposed law further provides that once each of the four projects has been completed and issued final acceptance and any outstanding debt secured by each special account has been paid or defeased, no more deposits shall be made into that account and any monies in that account shall be divided equally between the remaining accounts that are eligible to receive deposits.

Proposed law provides for the investment of monies in the fund.

Proposed law provides that monies in the fund shall be appropriated only to (1) the State Bond Commission (commission) to pay debt service on motor vehicle sales and use tax bonds issued by the commission for the following four projects: I-10 Calcasieu River Bridge and I-10 Improvements Account, the I-49 Leverage Fund Account, the Mississippi River at Baton Rouge and Connections Account, and the I-49 North Leverage Fund Account; and (2) the Construction Subfund for the following four projects: I-10 Calcasieu River Bridge and I-10 Improvements Account, the I-49 Leverage Fund Account, the Mississippi River at Baton Rouge and Connections Account, and the I-49 North Leverage Fund Account.

Proposed law provides for the issuance of bonds secured by the motor vehicle sales and use tax deposited into the Megaprojects Leverage Fund, provided that the total amount of funds pledged shall not exceed \$25 million per year from any of the four accounts created in proposed law. Proceeds of the bonds shall be deposited into the subfund.

Proposed law provides for the creation of the Motor Vehicle Sales and Use Tax Bond Fund, to be administered by a trustee selected by the commission, into which shall be deposited such portion of the motor vehicle sales and use taxes that are taxable and transferred to the commission.

Proposed law provides that the bond resolution may contain provisions respecting: custody of the bond proceeds; investment of the motor vehicle sales taxes; credit enhancement devices for the bonds; the collection, custody, and use of the pledged revenues or other monies pledged therefor; reserves, sinking funds and other funds; covenants for the establishment of pledged revenue coverage requirements of the bonds; the issuance of additional parity or subordinate bonds; and covenants deemed necessary in order to better secure the bonds.

Proposed law provides that the bonds issued pursuant to proposed law shall not be full faith and credit obligations of the state.

Proposed law provides that the bond resolution shall set forth the series, date, maturities, interest rates, redemption terms and priority on revenues. Bonds may be sold by competitive bid or negotiated sale. Proposed law provides for a 30 day preemption period.

Proposed law provides that the bonds shall be included as "net state tax supported debt", negotiable instruments, a valid and binding pledge, and exempt from state taxation.

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

(Amends R.S. 48:77(A)(intro para) and (B); adds R.S. 48:77.1 and 77.2; repeals R.S. 48:77(E))