

2017 First Extraordinary Session

HOUSE CONCURRENT RESOLUTION NO. 1

BY REPRESENTATIVE BARRAS

A CONCURRENT RESOLUTION

To direct the treasurer to immediately begin developing a procedure necessary to implement development of a process to allocate money deposited into the state treasury from constitutional and statutory dedications that flow through the Bond Security and Redemption Fund for the purpose of paying debt service on obligations secured by the full faith and credit of the state beginning in Fiscal Year 2017-2018.

WHEREAS, Article VII, Section 9(B) of the Constitution of Louisiana requires all money deposited into the state treasury to be credited to the Bond Security and Redemption Fund; and

WHEREAS, Article VII, Section 9(B) of the Constitution of Louisiana requires that in each fiscal year an amount is allocated from the Bond Security and Redemption Fund to pay all the debt obligations secured by the full faith and credit of the state; and

WHEREAS, in the past, debt service payments of obligations secured by the full faith and credit of the state have been made using only the state general fund (direct); and

WHEREAS, agencies that are not appropriated revenues from the state general fund (direct) have not shared in the allocation of the payment of debt service on obligations secured by the full faith and credit of the state; and

WHEREAS, the majority of the constitutional provisions and laws which create dedications specifically require that monies dedicated to the special treasury fund are credited to the Bond Security and Redemption Fund before deposit into the dedicated fund; and

WHEREAS, debt service payments on obligations secured by the full faith and credit of the state are projected to be between \$350 million and \$400 million through Fiscal Year 2020-2021; and

WHEREAS, crediting monies received by the state, prior to deposit into constitutional and statutory dedications, into the Bond Security and Redemption Fund for the purpose of making debt service payments on full faith and credit obligations of the state could allow for approximately \$96 million that would otherwise be deposited into constitutional or statutorily dedicated funds to be allocated for debt service payments on full faith and credit obligations of the state in Fiscal Year 2017-2018.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby direct the treasurer to immediately begin establishing procedures that would be necessary to implement development of a process to allocate money deposited into the state treasury from constitutional and statutory dedications that flow through the Bond Security and Redemption Fund for the purpose of paying debt service on full faith and credit obligations of the state beginning in Fiscal Year 2017-2018.

BE IT FURTHER RESOLVED that the process be limited to funds in which the constitutional or statutory authority for the fund includes a requirement that deposits into the fund flow through the Bond Security and Redemption Fund.

BE IT FURTHER RESOLVED that the treasurer shall prepare a report to the legislature describing the process to allocate the deposits from dedications that flow through the Bond Security and Redemption Fund prior to the 2017 Regular Session of the Legislature.

BE IT FURTHER RESOLVED that this Resolution shall only take effect and become operative if and when the Resolution which originated as Senate Concurrent Resolution No. 2 of this 2017 First Extraordinary Session of the Legislature becomes effective and operative.

BE IT FURTHER RESOLVED that a suitable copy of this Resolution be transmitted to the treasurer.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE