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### State Treasurer John Schroder Proposes Capital Outlay Revolving Loan Bank

BATON ROUGE, LA -- State Treasurer John Schroder testified in the House Ways and Means Committee this week in support of [House Bill 884](#) to set up a revolving loan fund for local governments to finance capital projects.

"We all know money is tight, and local governments are currently having to compete with non-governmental organizations for scarce capital outlay funding," said Treasurer Schroder. "This bill would open the door to additional funding opportunities for local projects."

HB 884 is sponsored by Rep. Neil Abramson and would establish a low-interest revolving loan fund for local governments to borrow money to pay for capital projects. The Treasury would finance the fund using earnings on unclaimed property securities.

"This is the first step in setting up a capital outlay revolving loan bank," said Rep. Abramson. "We want to get the ball rolling on it now, because the state needs alternative funding options for local government projects."

Similar programs exist in the Department of Environmental Quality, Department of Health, and Department of Natural Resources. Projects eligible for funding would follow the same application process for the clean water revolving loan fund, the drinking water revolving loan fund and the capital outlay process.

The capital outlay revolving loan bank would be tied to a trust fund in the Treasury to protect unclaimed property receipts. This requires a constitutional amendment, which could be presented in the 2019 Regular Session of the Legislature.

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