HLS 172ES-18 ORIGINAL

2017 Second Extraordinary Session

HOUSE BILL NO. 8

1

BY REPRESENTATIVE ZERINGUE

CAPITAL OUTLAY: Provides relative to the local match requirements for non-state entities applying for capital outlay funding

AN ACT

2 To amend and reenact R.S. 39:112(E)(2)(introductory paragraph) and to enact R.S. 3 39:112(E)(3), relative to capital outlay; to provide with respect to the capital outlay 4 process; to provide for the local match requirements for certain capital outlay 5 projects; to add certain requirements to the exception to the local match requirement 6 for certain non-state entity projects; to repeal certain exceptions to the local match 7 requirement; to provide for applicability; to provide for an effective date; and to 8 provide for related matters. 9 Be it enacted by the Legislature of Louisiana: 10 Section 1. R.S. 39:112(E)(2) (introductory paragraph) is hereby amended and 11 reenacted and R.S. 39:112(E)(3) is hereby enacted to read as follows: 12 §112. Capital outlay act 13 14 E. 15 16 (2) Non-state Except as provided for in Paragraph (3) of this Subsection for 17 Fiscal Year 2017-2018, non-state entity projects shall require a match of not less than 18 twenty-five percent of the total requested amount of funding except: 19

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

| 1 | (3) For Fiscal Year 2017-2018, the commissioner may reduce the local |
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| 2 | match requirement for non-state entity projects to not less than ten percent of the |
| 3 | total project cost if the non-state entity completes the following requirements: |
| 4 | (a) Executes a statement of sponsorship which shall include certification by |
| 5 | the non-state entity that all lands, easements, and rights-of-way for the project will |
| 6 | be acquired, that all permits to construct the project will be secured, and that all pre- |
| 7 | construction activities including planning, designing, and engineering for the project |
| 8 | will be completed, all without cost to the state. The non-state entity shall execute the |
| 9 | statement of sponsorship prior to requesting a reduction in the local match |
| 10 | requirement from the commissioner. |
| 11 | (b) Executes an agreement to assume all maintenance and operation costs for |
| 12 | the project and all future alterations to the project without cost to the state. |
| 13 | * * * |
| 14 | Section 2. The provisions of this Act shall be applicable to the funding of all non- |
| 15 | state entity projects included in the capital outlay budget for Fiscal Year 2017-2018. |
| 16 | Section 3. This Act shall become effective upon signature by the governor or, if not |
| 17 | signed by the governor, upon expiration of the time for bills to become law without signature |
| 18 | by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If |
| 19 | vetoed by the governor and subsequently approved by the legislature, this Act shall become |
| 20 | effective on the day following such approval. |
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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)]

HB 8 Original

2017 Second Extraordinary Session

Zeringue

Abstract: Adds authority for the local match requirement to be reduced to 10% if certain requirements are met.

<u>Present law</u> requires the legislature to enact a capital outlay bill which incorporates the first year of the five-year capital outlay program including the appropriation of funds from specified sources for capital projects to be expended during the next fiscal year. Present law establishes a process for applying for capital outlay funding as well as a process for reviewing and evaluating applications.

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CODING: Words in struck through type are deletions from existing law; words underscored are additions.

Proposed law retains present law.

<u>Present law</u> requires non-state entities applying for capital outlay funding to provide a match of not less than 25% of the total requested funding amount with the following exceptions:

- (1) Projects deemed to be an emergency by the commissioner of administration.
- (2) Projects for which a non-state entity has demonstrated its inability to provide a local match. <u>Present law</u> requires the division of administration to promulgate rules establishing a needs-based formula for determining the inability of a non-state entity to provide the required local match.
- (3) Projects for rural water systems servicing less than 1,000 customers to extend or connect waterlines to other water systems.

<u>Proposed law</u> retains <u>present law</u> but adds authority for the commissioner to reduce the local match requirement for non-state entity projects for FY 2017-2018 to not less than 10% of the *total project cost* if the non-state entity meets the following requirements:

- (1) Executes a statement of sponsorship which includes certification that all lands, easements, and rights-of-way will be acquired, that all permits to construct the project will be secured, and that all pre-construction activities such as planning, designing, and engineering will be completed, all without cost to the state.
- (2) The non-state entity executes an agreement to assume all maintenance and operation costs for the project and all future alterations to the project without cost to the state.

<u>Proposed law</u> requires the non-state entity to execute the statement of sponsorship prior to requesting a reduction in the local match requirement from the commissioner.

<u>Proposed law</u> is applicable to the funding of all non-state entity projects included in the capital outlay budget for Fiscal Year 2017-2018.

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

(Amends R.S. 39:112(E)(2)(intro. para.); Adds R.S. 39:112(E)(3))