
DIGEST

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HB 132 Engrossed

2018 Regular Session

Zeringue

Abstract: Repeals the exception to the local match requirement for nonstate entities which demonstrate their inability to provide for their 25% local match and adds authority for the local match requirement to be reduced to 10% if certain requirements are met.

Present law 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.

Proposed law retains present law.

Present law requires nonstate 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 nonstate entity has demonstrated its inability to provide a local match. Present law requires the division of administration to promulgate rules establishing a needs-based formula for determining the inability of a nonstate 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.

Proposed law repeals the present law exception for nonstate entity projects for which the nonstate entity had demonstrated its inability to provide a local match and changes the basis for the local match from not less than 25% of the *total requested funding amount* to not less than 25% of the *total project cost*.

Proposed law adds authority for the commissioner, subject to the approval of the House Ways and Means and the Senate Revenue and Fiscal Affairs Committees, to reduce the local match requirement for nonstate entity projects to not less than 10% of the total project cost if the nonstate 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 nonstate 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.

Proposed law requires the nonstate entity to execute the statement of sponsorship prior to requesting a reduction in the local match requirement from the commissioner.

Proposed law is applicable to the funding of all nonstate entity projects included in the capital outlay budget for fiscal years commencing on and after July 1, 2018.

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

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

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Add provision that the authority for the commissioner to reduce the local match requirement provided for in proposed law is subject to the approval of the House Ways and Means and the Senate Revenue and Fiscal Affairs committees.