

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 381** HLS 25RS 179

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action: **w/ SEN COMM AMD**

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 20, 2025	10:57 AM	<b>Author:</b> BRASS
<b>Dept./Agy.:</b> Statewide		<b>Analyst:</b> John McKay
<b>Subject:</b> Capital Outlay - Local Match Exemptions for municipalities		

**CAPITAL OUTLAY** EG1 DECREASE LF EX See Note Page 1 of 1  
Increases the population limitation of municipalities for purposes of eligibility for a waiver of the matching funds requirement for capital outlay projects  
Current law requires nonstate entities applying for capital outlay funding to provide a match of not less than 25% of the total project cost except, amongst other things, a project undertaken by a municipality with a population of less than 6,000 or a parish with a population of less than 12,000 which has demonstrated its inability to provide a local match.

Proposed law changes the municipal exemption to those municipalities with less than 9,500, which has demonstrated its inability to provide a local match unrelated to the mismanagement of governmental operations, financial misconduct, abuse, or fraud. This bill requires the municipality to demonstrate its inability to provide matching funds by submitting to the Division of Administration (DOA) an unqualified auditor's opinion, along with certification confirming there are no unresolved audit findings and that a fiscal administrator has not been appointed. This measure also requires the DOA to submit match waiver recommendations to the Joint Legislative Committee on Capital Outlay (JLCCO) for final approval.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<b>DECREASE</b>	<b>DECREASE</b>	<b>DECREASE</b>	<b>DECREASE</b>	<b>DECREASE</b>	

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

Proposed law is anticipated to reduce local expenditures given that it expands the criteria for exception from the 25% local match requirement for certain local capital outlay projects. The amount of this decrease is indeterminable as it depends on the number of approved local projects and the project's total cost. However, the enactment of the proposed law may encourage more municipalities to apply for capital outlay funds since they may be exempt from the 25% match requirement.

Note: Proposed legislation has no impact on state expenditures since the number of capital outlay projects and the amount of capital outlay spending are functions of the state's available debt capacity, which is not impacted by the proposed change to non-state entity projects. The line of credit for nonstate entity projects is currently limited to no more than 25% of the cash line of credit for projects. Therefore the same total amount will be appropriated for nonstate entity projects. However, this may impact how the total line of credit for nonstate entity projects is allocated on a per-project basis and/or may reduce the number of projects funded through the capital outlay program.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

  
**Patrice Thomas**  
**Deputy Fiscal Officer**