

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 189** HLS 17RS 929

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 19, 2017 12:06 PM	Author: DEVILLIER
Dept./Agy.: Executive/DOA Office of Facility Planning & Control	Analyst: Willie Marie Scott
Subject: Capital Outlay	

CAPITAL OUTLAY: EG NO IMPACT GF EX See Note
Provides relative to capital outlay reform.

The current law provides that bond funding of non-state projects shall be limited to no more than 25% of the cash line of credit capacity for projects. The proposed legislation requires the commissioner of administration to divide 10% of the cash line of credit capacity granted to non-state projects among the parishes on a pro rata basis of population and number of homesteads throughout the state; and designate the remaining 15% of non-state projects for highway and bridge projects or economic development projects. Of the cash line of credit granted to state projects, no less than 50% shall be designated for highway and bridge projects. The proposed law also repeals the present law exception for non-state entity projects for which the non-state entity had demonstrated its inability to provide a local match. The proposed legislation authorizes the commissioner of administration to reduce the local match requirement for non-state entity projects to not less than 10% of the total project cost if the non-state entity executes a statement of sponsorship and an agreement to assume all maintenance and operation cost for the project(s). It further requires the commissioner of administration (**Cont. on Page 2**)

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure due to changes in the procedure by which state and non-state entity projects are considered for lines of credit by the SBC. 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 state and non-state entity projects. Additionally, to the extent that the State Treasurer provides the Revenue Sharing formula to the DOA Office of Facility Planning & Control to be utilized in allocating cash lines of credit among the parishes, there will be no fiscal impact.

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}

Evan Brasseaux

Evan Brasseaux
Staff Director

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CONTINUED EXPLANATION from page one:

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to make recommendations to the Joint Legislative Committee on Capital Outlay (JLCCO) concerning state and non-state entity projects to be granted lines of credit; and to submit the list of recommendations to the JLCCO no less than 30 days prior to the meeting date of the State Bond Commission (SBC). Only projects which received approval from the JLCCO can be submitted to the SBC for consideration of lines of credit.

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}

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