

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



Fiscal Note On: **HB 122** HLS 18RS 417

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 14, 2018 1:32 PM	<b>Author:</b> DEVILLIER
<b>Dept./Agy.:</b> Executive / DOA Office of Facility Planning & Control	<b>Analyst:</b> Willie Marie Scott
<b>Subject:</b> Capital Outlay	

CAPITAL OUTLAY

EG NO IMPACT GF EX See Note

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Provides relative to capital outlay reform.

The current law provides that bond funding of nonstate 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 nonstate projects among the parishes on a pro rata basis of population and number of homesteads throughout the state; and designate the remaining 15% of nonstate projects for highway and bridge projects or economic development projects. Of the cash line of credit granted to state projects, no less than \$3 M shall be designated to deferred maintenance or drainage projects within the geographic boundaries of each DOTD district; and no less than 50% shall be designated for highway and bridge projects. The proposed law also repeals the present law that authorizes the commissioner of administration to establish a needs-based formula for determining the inability of a nonstate entity to provide the required match of not less than 25% of the total requested amount of funding. It further requires the commissioner of administration to make recommendations to the House Committee on Ways & Means **(Cont. on Page 2)**

<b>EXPENDITURES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<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>

<b>REVENUES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<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**

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 nonstate 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.

**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*  


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**Evan Brasseaux**  
**Staff Director**

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**CONTINUED EXPLANATION from page one:**

and the Senate Committee on Revenue & Fiscal Affairs concerning state and nonstate entity projects to be granted lines of credit; and to submit the list of recommendations to the the House Committee on Ways & Means and the Senate Committee on Revenue & Fiscal Affairs no less than 30 days prior to the meeting date of the State Bond Commission (SBC). Only projects which received approval from the House Committee on Ways & Means and the Senate Committee on Revenue & Fiscal Affairs 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}

*Evan Brasseaux*

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