

2022 Regular Session

HOUSE BILL NO. 847

BY REPRESENTATIVES LACOMBE, ADAMS, BISHOP, BOURRIAQUE, BRASS, BROWN, BRYANT, CARRIER, ROBBY CARTER, CORMIER, DAVIS, DEVILLIER, HARRIS, HORTON, JEFFERSON, JENKINS, MIGUEZ, ROMERO, STEFANSKI, AND WHITE

CAPITAL OUTLAY: Exempts certain non-state entity projects from local match requirements

1 AN ACT

2 To amend and reenact R.S. 39:112(E)(2)(c) and to enact R.S. 39:112(E)(2)(d), relative to
3 capital outlay; to provide with respect to local match requirements for projects by
4 non-state entities; to exempt certain non-state entity projects from local match
5 requirements; to provide for applicability; to provide for an effective date; and to
6 provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 39:112(E)(2)(c) is hereby amended and reenacted and R.S.
9 39:112(E)(2)(d) is hereby enacted to read as follows:

10 §112. Capital outlay act

11 * * *

12 E.

13 * * *

14 (2) Non-state entity projects shall require a match of not less than twenty-
15 five percent of the total requested amount of funding except:

16 * * *

1 (c) A water or sewer project for a ~~rural water~~ system servicing ~~less than one~~
2 ~~thousand two hundred and fifty customers~~ three thousand one hundred or fewer
3 connections.

4 (d) A project undertaken by a governmental entity to provide natural gas
5 utility services for a system that services three thousand one hundred or fewer
6 connections.

7 * * *

8 Section 2. The provisions of this Act shall be applicable to the funding of projects
9 included in the capital outlay budget for fiscal years commencing on or after July 1, 2022.

10 Section 3. This Act shall become effective upon signature by the governor or, if not
11 signed by the governor, upon expiration of the time for bills to become law without signature
12 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
13 vetoed by the governor and subsequently approved by the legislature, this Act shall become
14 effective on the day following such approval.

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 847 Reengrossed 2022 Regular Session LaCombe

Abstract: Increases the maximum number of connections that a water system may service to qualify for the exemption from local match requirements for capital outlay projects and expands eligibility for the exemption to include sewer projects and natural gas utility service projects.

Present law requires the governor to submit a capital outlay budget which implements the first year of the five-year capital outlay program and the bond authorization bill for the sale of bonds to fund projects included in the bond portion of the capital outlay bill to the legislature no later than the eighth day of each regular session.

Present law 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.
- (2) Projects for which a non-state entity has demonstrated its inability to provide a local match.

Proposed law retains present law.

Present law also provides for an exception from the 25% local match requirement for rural water systems that service less than 1,250 customers.

Proposed law changes eligibility for the water system project exception from water system projects that service less than 1,250 *customers* to water system projects that service 3,100 or fewer *connections* and expands eligibility to include sewer system projects that service 3,100 or fewer connections.

Proposed law adds an exception to local match requirements for projects undertaken by a governmental entity to provide natural gas utility services to 3,100 or fewer connections.

Applicable to the funding of non-state entity projects included in the capital outlay budget for fiscal years commencing on or after July 1, 2022.

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

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

Summary of Amendments Adopted by House

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

1. Increase the customer number limitation for purposes of qualifying for the exemption from local match requirements for a water or sewer project or a natural gas utility service project from 7,500 or fewer customers to 10,000 or fewer customers.

The House Floor Amendments to the engrossed bill:

1. Change the basis for qualifying for the exemption from local match requirements for a water or sewer project or a natural gas utility service project from systems that service fewer than 10,000 *customers* to systems that service 3,100 or fewer *connections*.