

2023 Regular Session

HOUSE BILL NO. 392

BY REPRESENTATIVE FRIEMAN

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

CAPITAL OUTLAY: Provides relative to line of credit recommendations for certain capital outlay projects funded through the Capital Outlay Act

1 AN ACT

2 To amend and reenact R.S. 39:122, relative to capital outlay; to provide for certain
3 requirements for nonstate projects; to provide relative to line of credit
4 recommendations for certain projects; to require the approval of certain line of credit
5 recommendations; to require certain information to be reported to the State Bond
6 Commission for projects funded through the sale of bonds; to provide for
7 applicability; to provide for an effective date; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 39:122 is hereby amended and reenacted to read as follows:

10 §122. Commencement of work; delays in construction; public statement; allocated
11 funds

12 A.(1) No work shall commence and no contract shall be entered into for any
13 project contained in the ~~capital outlay act~~ Capital Outlay Act unless and until funds
14 are available from the cash sources indicated in the ~~act~~ Act or from the sale of bonds
15 or from a line of credit approved by the State Bond Commission, except contracts
16 for Department of Transportation and Development projects which are subject to the
17 provisions of R.S. 48:251(D).

18 (2) State-owned projects planned for the fiscal year in which an
19 appropriation has been funded shall be commenced in that fiscal year and the
20 administering agencies shall diligently commence work on those projects in

1 accordance with the provisions of the annual ~~capital outlay act~~ Capital Outlay Act;
2 Titles 38, 39, and 48 of the Louisiana Revised Statutes of 1950; and any other
3 applicable statutory provision. If a project cannot be commenced within the fiscal
4 year for which it is planned, the administering agency shall file with the project
5 records a public statement as to the factors causing the delay. The administering
6 agency shall send a copy of the public statement regarding the cause of the delay and
7 notice when the delaying factors have been overcome, no later than the first day of
8 February each year, to the Joint Legislative Committee on Capital Outlay and to each
9 senator and representative in whose district the project is located. When the cause
10 of the delay has been cured, the administering agency shall commence the work
11 immediately and expeditiously.

12 (3)(a) ~~The Joint Legislative Committee on Capital Outlay~~ commissioner of
13 administration shall make recommendations to the ~~commissioner of administration~~
14 House Committee on Ways and Means and the Senate Committee on Revenue and
15 Fiscal Affairs, hereinafter "committees", concerning the ~~non-state~~ state and nonstate
16 entity projects to be granted lines of credit. The commissioner of administration shall
17 submit ~~to the Joint Legislative Committee on Capital Outlay~~ to the committees a list
18 of state and nonstate projects that ~~will be submitted to the State Bond Commission~~
19 the division of administration recommends for lines of credit ~~a minimum of five days~~
20 prior to the submission to the State Bond Commission no later than fifteen days prior
21 to the State Bond Commission meeting at which the lines of credit are to be
22 considered. The committees shall receive the list of recommendations from the
23 division of administration and may either approve the list or make changes to the list.
24 The committees shall make final recommendations and shall separately approve a
25 list of projects which shall be submitted to the State Bond Commission for
26 consideration of lines of credit. Only projects which receive approval from both
27 committees shall be submitted to the State Bond Commission for consideration of
28 lines of credit.

1 **(b) For each project presented to the State Bond Commission for approval**
2 **of a general obligation bond cash line of credit, the division of administration shall**
3 **include an estimate of debt service costs associated with the sale of debt for the total**
4 **project cost.**

5 B.(1) Ports, levee districts, and other ~~non-state~~ nonstate entities shall wait
6 until there is a fully executed cooperative endeavor agreement and final approval has
7 been given by the facility planning and control section of the division of
8 administration, the Department of Transportation and Development, or the state
9 treasurer, whichever is applicable, before entering into contracts obligating state
10 funds.

11 (2) If a port, levee district, or other ~~non-state~~ nonstate entity, enters into a
12 contract, executes a purchase order or otherwise attempts to obligate any funds to be
13 reimbursed by the state without first fully complying with the provisions of this
14 Section, any obligation resulting therefrom shall remain the sole responsibility of the
15 port, levee district, or ~~non-state~~ nonstate entity, and the contract or purchase order
16 or other obligation shall not be eligible for reimbursement or payment by the state.

17 Section 2. The provisions of this Act shall apply to the funding of all projects
18 included in the capital outlay budget for fiscal years commencing on or after July 1, 2023.

19 Section 3. This Act shall become effective on July 1, 2023.

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 392 Original

2023 Regular Session

Frieman

Abstract: Requires the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs to approve line of credit recommendations before the division of administration submits the list to the State Bond Commission for funding.

Present law requires the governor to submit his 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 8th day of each regular session.

Present law requires the Joint Legislative Committee on Capital Outlay (JLCCO) to make recommendations to the commissioner concerning nonstate entity projects to be granted lines

of credit. Further requires the commissioner to submit the list of projects to be recommended for lines of credit to the JLCCO a minimum of five days prior to submission of the list to the State Bond Commission (SBC).

Proposed law changes present law by requiring the commissioner to make recommendations to the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs (committees) concerning state and nonstate entity projects to be recommended for lines of credit. Further requires the commissioner to submit the list of recommendations to the committees no later than 15 days prior to the meeting date of the SBC in which the lines of credit are to be considered for funding.

Proposed law requires the committees to make final recommendations by either approving the list of recommendations or making changes to the list. Only projects which receive approval from the committees can be submitted to the SBC for consideration of funding.

Proposed law requires the division of administration to include an estimate of debt service costs associated with the sale of debt for the total project cost for each project presented to the SBC for approval of a general obligation bond cash line of credit.

Applicable to the funding of all nonstate entity projects included in the capital outlay budget for fiscal years commencing on or after July 1, 2023.

Effective July 1, 2023.

(Amends R.S. 39:122)