

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



Fiscal Note On: **SB 166** SLS 23RS 372

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

|                                |         |                                |
|--------------------------------|---------|--------------------------------|
| <b>Date:</b> April 5, 2023     | 4:14 PM | <b>Author:</b> JACKSON         |
| <b>Dept./Agy.:</b> Statewide   |         | <b>Analyst:</b> Tanesha Morgan |
| <b>Subject:</b> Capital Outlay |         |                                |

CAPITAL OUTLAY OR DECREASE LF EX See Note Page 1 of 1  
 Authorizes the division of administration to waive local match requirements for certain nonstate entity projects. (gov sig)

Present law requires nonstate 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 of administration.
- (2) Projects for which a nonstate entity has demonstrated its inability to provide a local match.
- (3) A water or sewer project for a system servicing 1,250 or fewer connections.
- (4) A project undertaken by a governmental entity to provide natural gas utility services for a system that services 1,250 or fewer connections.

Proposed law adds an exception that the division of administration may, at its discretion, waive the entire match or a portion thereof for a project undertaken by a municipality with a population of less than 6,000 which has demonstrated its inability to provide a local match.

| <b>EXPENDITURES</b> | <b>2023-24</b> | <b>2024-25</b> | <b>2025-26</b> | <b>2026-27</b> | <b>2027-28</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         | DECREASE       | DECREASE       | DECREASE       | DECREASE       | DECREASE       |                      |
| <b>Annual Total</b> |                |                |                |                |                |                      |

| <b>REVENUES</b>     | <b>2023-24</b> | <b>2024-25</b> | <b>2025-26</b> | <b>2026-27</b> | <b>2027-28</b> | <b>5 -YEAR TOTAL</b> |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd.      | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
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| 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><u>\$0</u></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**

This measure 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 legislation may encourage more municipalities to apply for capital outlay funds since they may be exempt from the 25% match requirement.

Note: This measure 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 non-state 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 non-state entity projects. However, this may impact how the total line of credit for non-state entity projects is allocated on a per-project basis.

**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**  
**Interim Deputy Fiscal Officer**