

2023 Regular Session

HOUSE BILL NO. 336

BY REPRESENTATIVE BISHOP

1 AN ACT

2 To amend and reenact R.S. 39:100.121(A)(1) and (2)(b), 105(A), 112(C)(1)(introductory
3 paragraph) and (c), (E)(1) and (2)(introductory paragraph), and (G)(1), and 115(A)
4 and (B), to enact R.S. 39:112(E)(4) and (H), 121.1, and 125.1, and to repeal R.S.
5 39:112(E)(2)(b), relative to capital outlay; to provide with respect to the capital
6 outlay process; to provide for certain requirements for nonstate projects; to provide
7 with respect to the local match requirements for certain projects; to provide for
8 certain notifications; to require certain reports; to provide for limitations; to require
9 the inclusion of certain information concerning state indebtedness within the Capital
10 Outlay Act; to require certain projects to be included in the Capital Outlay Act or to
11 obtain legislative approval; to require the appropriation for certain projects to be
12 deposited into the Capital Outlay Savings Fund; to require the timely submission of
13 certain invoices; to limit the disposal of projects which received capital outlay
14 funding; to require certain approval before a project is disposed of or sold; to provide
15 for applicability; to provide for an effective date; and to provide for related matters.

16 Be it enacted by the Legislature of Louisiana:

17 Section 1. R.S. 39:100.121(A)(1) and (2)(b), 105(A), 112(C)(1)(introductory
18 paragraph) and (c), (E)(1) and (2)(introductory paragraph), and (G)(1), and 115(A) and (B)

1 are hereby amended and reenacted and R.S. 39:112(E)(4) and (H), 121.1, and 125.1 are
2 hereby enacted to read as follows:

3 §100.121. Capital Outlay Savings Fund

4 A.(1) There is hereby created in the state treasury, as a special fund, the
5 Capital Outlay Savings Fund, hereinafter referred to as the "fund". The fund shall
6 be comprised of both recurring and nonrecurring state general fund revenues.

7 (2)

8 * * *

9 (b) In the event that a project included in the comprehensive capital outlay
10 budget that has a state general fund direct ~~nonrecurring revenue~~ appropriation,
11 regardless of whether the appropriation is from recurring or nonrecurring revenue,
12 is deemed null by the division of administration or is vetoed by the governor, the
13 state treasurer is authorized and directed to deposit into the fund an amount equal to
14 the amount of the appropriation for the project that is deemed null or vetoed from the
15 recurring or nonrecurring revenues, whichever is applicable, in the state general
16 fund.

17 * * *

18 §105. Capital Outlay reports to Joint Legislative Committee on Capital Outlay

19 A.(1) The office of facility planning and control and any state agency
20 authorized to administer capital outlay appropriations shall submit to the Joint
21 Legislative Committee on Capital Outlay, an annual written report no later than the
22 first day of February, ~~of.~~ The report shall include the following information for each
23 project included in the prior year's capital outlay budget ~~which includes the~~
24 following information:

25 ~~(1)~~(a) The title of the project.

26 ~~(2)~~(b) The total budget for the project from all means of financing.

27 ~~(3)~~(c) A breakdown of the funding of the project including all cash and
28 general obligation bond funding of the project.

1 be taken by the Joint Legislative Committee on Capital Outlay after the first day of
2 February.

3 * * *

4 E.(1) General obligation bond funding of ~~non-state~~ nonstate projects shall
5 be limited to no more than twenty-five percent of the cash line of credit capacity for
6 projects in any fiscal year. ~~Non-state~~ Nonstate projects are those projects not owned
7 and operated by the state except those projects determined by the commissioner of
8 administration to be a regional economic development initiative or regional health
9 care facility operated in cooperation with the state.

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

12 * * *

13 (4) In addition to the match required pursuant to the provisions of Paragraph
14 (2) of this Subsection, a nonstate entity applying for funding for construction of a
15 new project through the Capital Outlay Act shall also provide documentation
16 evidencing its ability to provide no less than three percent of the total requested
17 amount of funding to be used exclusively for costs associated with the long-term
18 maintenance of the project. Failure of a nonstate entity to provide this
19 documentation at the time of applying for funds through the Capital Outlay Act shall
20 result in the project being deemed not feasible by the office of facility planning and
21 control, and the project shall not be included in the Capital Outlay Act.

22 * * *

23 G.(1) Projects to be funded through the ~~sale of bonds~~ issuance of debt or
24 other agreements including but not limited to agreements of lease, lease-purchase,
25 or third party financing and secured by or payable from state appropriation shall
26 either be included in the ~~capital outlay act~~ Capital Outlay Act or shall obtain
27 legislative approval as set forth in this Subsection.

28 * * *

1 H. The Capital Outlay Act shall include a statement concerning the total
 2 outstanding net state tax supported debt as defined in R.S. 39:1367, as reported in the
 3 most recent report by the state treasurer concerning net state tax supported debt. The
 4 amounts of principal and interest payable on this indebtedness shall be reported
 5 separately. Further, the Capital Outlay Act shall contain an estimate of debt service
 6 costs associated with the amount of new general obligation bond cash line of credit
 7 capacity for that fiscal year, pursuant to Subsection F of this Section. The net state
 8 tax supported debt model shall be used in the calculation of the estimate.

9 * * *

10 §115. Notice requirements

11 A. The office of facility planning and control shall send notice to all ~~non-~~
 12 ~~state~~ nonstate entities of the need to resubmit a capital outlay budget request for
 13 projects that do not receive a line of credit for the total amount of bond proceeds
 14 authorized in the ~~capital outlay act~~ Capital Outlay Act for that fiscal year. The notice
 15 shall list all of the ~~non-state~~ nonstate entity's projects which have not been
 16 recommended for lines of credit or have not received lines of credit prior to
 17 September fifteenth of the year for which notice is sent to the ~~non-state~~ nonstate
 18 entity.

19 B. The office of facility planning and control shall also send a notice of the
 20 need to resubmit a capital outlay budget request to each state representative and state
 21 senator who has any project in his geographic area that ~~did not receive~~ has not been
 22 recommended for a line of credit or has not received a line of credit for the total
 23 amount of bond proceeds authorized in the ~~capital outlay act~~ Capital Outlay Act for
 24 that year. The notice shall list all of the projects in the representative's or senator's
 25 geographic area which have not received lines of credit prior to September fifteenth
 26 of the year for which notice is sent to the representative or senator.

27 * * *

28 §121.1. Timely submission of invoices

29 Any entity administering a capital outlay project included in the
 30 comprehensive capital outlay budget may require all parties performing any portion

1 of planning and designing, including engineers and architects, or parties contracted
 2 with for the construction of a capital outlay project to submit invoices for the
 3 payment of services rendered or performed within one hundred eighty days of the
 4 date the services were rendered or performed. Failure of a party to timely submit an
 5 invoice for services rendered or performed shall result in the party's claim for
 6 reimbursement or payment from the state being denied.

7 * * *

8 §125.1. Disposal of projects which received funding through the capital outlay
 9 budget; limitations; requirements

10 A. For projects included in the capital outlay budget for fiscal years
 11 beginning on or after July 1, 2024, the owner of a project that received funding
 12 through the sale of general obligation bonds for acquiring lands, buildings,
 13 equipment, or other permanent properties, or for the preservation or development of
 14 permanent improvements through the capital outlay budget shall not sell or otherwise
 15 dispose of the project while repayment of the bonds, including debt service, by the
 16 state is outstanding unless all of the following conditions are met:

17 (1) The property owner obtains, at his own cost, an opinion from current
 18 bond counsel to the state that the sale will not affect the tax exempt status of the
 19 bonds.

20 (2) The property owner receives prior written approval by the commissioner
 21 of administration.

22 (3) All other conditions required for the disposal of the project by the
 23 property owner have been met.

24 B. If the commissioner of administration approves a property owner
 25 disposing of a project that received funding through the sale of general obligation
 26 bonds, the commissioner shall notify the House Committee on Ways and Means and
 27 the Senate Committee on Revenue and Fiscal Affairs in writing, within ten days of
 28 such approval.

29 Section 2. R.S. 39:112(E)(2)(b) is hereby repealed in its entirety.

1 Section 3. The provisions of this Act shall apply to the funding of all projects
2 included in the capital outlay budget for fiscal years commencing on or after July 1, 2024.

3 Section 4. This Act shall become effective on July 1, 2024.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____