

2025 Regular Session

HOUSE BILL NO. 346

BY REPRESENTATIVE DESHOTEL

FUNDS/FUNDING: Establishes the Local Infrastructure Fund

1 AN ACT

2 To enact R.S. 39:100.254, relative to special treasury funds; to establish the Local
3 Infrastructure Fund; to provide for the transfer, deposit, and use, as specified, of
4 monies in the Local Infrastructure Fund; to provide an effective date; and to provide
5 for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 39:100.254 is hereby enacted to read as follows:

8 §100.254. Local Infrastructure Fund

9 A. There is hereby established in the state treasury, as a special fund, the
10 Local Infrastructure Fund, hereafter referred to in this Section as the "fund".

11 B. After allocation of money to the Bond Security and Redemption Fund as
12 provided in Article VII, Section 9(B) of the Constitution of Louisiana, the treasurer
13 shall deposit into the fund the following:

14 (1) Revenues received from the state sales and use tax collected pursuant to
15 R.S. 47:301.1(F).

16 (2) Monies designated from the fund and received by the state treasurer from
17 donations, gifts, grants, appropriations, or other revenue.

18 C.(1) Monies in the fund shall be appropriated for the repair, improvement,
19 and consolidation of community water systems and sewer systems for a parish or

1 local governing authority. Priority shall be given to those systems which have not
2 received a grant from the Water Sector Program.

3 (2) Monies appropriated pursuant to this Subsection shall not exceed ten
4 million dollars in a fiscal year.

5 (3) Monies in the fund shall be withdrawn exclusively pursuant to a specific
6 appropriation made in a bill enacted by the legislature.

7 D. Monies in the fund shall be invested in the same manner as monies in the
8 state general fund. Interest earned on investment of monies in the fund shall be
9 credited to the fund. Unexpended and unencumbered monies in the fund at the end
10 of the fiscal year shall remain in the fund.

11 Section 2. R.S. 39:100.254 is hereby enacted to read as follows:

12 §100.254. Local Infrastructure Fund

13 A. There is hereby established in the state treasury, as a special fund, the
14 Local Infrastructure Fund, hereafter referred to in this Section as the "fund".

15 B. After allocation of money to the Bond Security and Redemption Fund as
16 provided in Article VII, Section 9(B) of the Constitution of Louisiana, the treasurer
17 shall deposit into the fund the following:

18 (1) Revenues received from the state sales and use tax collected pursuant to
19 R.S. 47:301.1(F).

20 (2) Monies designated from the fund and received by the state treasurer from
21 donations, gifts, grants, appropriations, or other revenue.

22 C.(1) Monies in the fund shall be appropriated for distribution to ad valorem
23 tax recipient bodies within a parish to offset losses attributable to business inventory
24 exemptions to the ad valorem tax granted by a parish.

25 (2) After appropriation pursuant to Paragraph (1) of this Subsection, any
26 remaining monies in the fund, not to exceed ten million dollars in a fiscal year, may
27 be appropriated for repair, improvement, and consolidation of community water
28 systems and sewer systems for a parish or local governing authority. Priority shall

1 be given to those systems which have not received a grant from the Water Sector
2 Program.

3 (3) Monies in the fund shall be withdrawn exclusively pursuant to a specific
4 appropriation made in a bill enacted by the legislature.

5 D. Monies in the fund shall be invested in the same manner as monies in the
6 state general fund. Interest earned on investment of monies in the fund shall be
7 credited to the fund. Unexpended and unencumbered monies in the fund at the end
8 of the fiscal year shall remain in the fund.

9 Section 3. The provisions of Sections 1 and 2 of this Act shall be applicable to
10 taxable periods beginning on or after January 1, 2025.

11 Section 4. This Section and Sections 1, 3, and 5 of this Act shall become effective
12 upon signature by the governor or, if not signed by the governor, upon expiration of the time
13 for bills to become law without signature by the governor, as provided by Article III, Section
14 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved
15 by the legislature, this Act shall become effective on the day following such approval.

16 Section 5. The provisions of Section 2 of this Act shall take effect and become
17 operative if and when the proposed amendment of Article VII of the Constitution of
18 Louisiana contained in the Act which originated as House Bill No. 366 of this 2025 Regular
19 Session of the Legislature is adopted at a statewide election and becomes effective. The
20 provisions of Section 2 of this Act shall supersede in the event of any conflict between
21 Section 2 of this Act and Section 1 of this Act.

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 346 Engrossed

2025 Regular Session

Deshotel

Abstract: Establishes the Local Infrastructure Fund and provides for use of the monies in the fund.

Proposed law establishes the Local Infrastructure Fund as a special fund in the state treasury. Monies collected from the avails of state sales and use tax levied on telecommunications services, cable television services, direct-to-home satellite services, video programming

services, and satellite digital audio radio services shall be deposited into the fund. Any donations, gifts, grants, appropriations, or other revenue shall also be deposited into the fund.

Proposed law provides that monies in the fund shall be invested in the same manner as monies in the state general fund. Interest earned on investment of monies in the fund shall be credited to the fund. Unexpended and unencumbered monies in the fund at the end of the fiscal year shall remain in the fund.

Proposed law is applicable to taxable periods beginning on or after Jan. 1, 2025.

Proposed law authorizes the use of monies in the fund for the repair, improvement, and consolidation of community water and sewer systems for a parish or local governing authority that has not received a grant from the Water Sector Program. Limits appropriations from the fund to \$10M per fiscal year for such projects. Proposed law restricts use of the monies in the fund to a specific appropriation made in a bill enacted by the legislature.

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

Changes contingent upon adoption of the constitutional amendment that originated as House Bill No. 366

If and when the proposed amendment of Art. VII of the Constitution of La. contained in the Act which originated as House Bill No. 366 of this 2025 R.S. of the Legislature is adopted at a statewide election and becomes effective, proposed law authorizes monies in the fund to be used for the following:

- (1) Distribution to ad valorem tax recipient bodies within a parish to offset losses attributable to business inventory exemptions to the ad valorem tax granted by a parish.
- (2) Any remaining monies in the fund may be appropriated, not to exceed \$10M per fiscal year, for the repair, improvement, and consolidation of community water and sewer systems for a parish or local governing authority that has not received a grant from the Water Sector Program.

Proposed law retains deposit, investment, and applicability provisions otherwise provided in proposed law.

Proposed law specifies that in the event of a conflict the authorized uses of monies in the fund that are contingent upon the adoption of the constitutional amendment that originated as HB 366 of the 2025 R.S. shall supersede.

(Adds R.S. 39:100.254)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original bill:

1. Change the use of monies in the fund from community water and sewer projects and local road projects to community water and sewer projects only.
2. Add a \$10M limit per fiscal year for community water and sewer projects.
3. Establish the Local Infrastructure Fund and provide for its uses should House Bill No. 366 of the 2025 Regular Session of the Legislature be adopted at a statewide election and become effective. Provide for this version of the fund to supersede any other version of the fund enacted into law.

4. Provide that proposed law is applicable to taxable periods on or after Jan. 1, 2025.