
DIGEST

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HB 598 Original

2017 Regular Session

Abramson

Abstract: Provides for changes to the Highway Priority Program and requires the reporting and auditing of certain information regarding the program and the use of the avails of the taxes levied on certain motor fuels.

Present law establishes a prioritization process for construction of highway and bridge projects utilized to develop a Highway Priority Program that accomplishes many goals including bringing the state highway system into a good state of repair and optimizes the usage and efficiency of existing transportation facilities.

Proposed law retains present law but adds to the goals of the prioritization process the development of a program to ensure that the taxes levied on motor fuels are used by the Department of Transportation and Development (DOTD) in the most cost-effective manner and that the state is maximizing state and federal funding on costs related to the actual construction and maintenance of highway and bridge projects and minimizing the use of these funds on administrative costs for DOTD.

Present law requires, beginning in FY17-18, DOTD to provide the legislature and public with a program that list projects to be constructed in the ensuing fiscal year in an order of priority that is determined after projects are analyzed utilizing a process based on an objective analysis that considers the following factors relative to the cost of the project and anticipated revenues to be appropriated by the legislature:

- (1) The condition of the roads, streets, and structures making up the state highway system and the urgency of the improvements considering their order of needs.
- (2) The type and volume of traffic on a roadway, highway, or bridge.
- (3) The crash records for a roadway, highway, or bridge.
- (4) The technical difficulties in the preparation of plans and the procurement of rights-of-way for a roadway, highway, or bridge.
- (5) Whether an unforeseeable emergency has created an immediate need for improvement or reconstruction.
- (6) Whether capacity improvements are warranted due to population or traffic volume increases

in a geographic area.

- (7) Whether the highway or bridge is or will be on an evacuation route utilized to evacuate large populations due to catastrophic events.
- (8) Whether the improvement to or addition of a highway or bridge will benefit the economic development potential of the state.

Proposed law retains present law but adds a factor for whether the highway or bridge project will meet the needs of the local and regional planning organizations to ensure that there is an equitable distribution among and between the different regions of the state.

Proposed law requires, in addition to the requirements of present law, for DOTD to establish a multi-year time line on the projects to be funded through the program each year including an indication of the source of monies from which construction costs will be funded.

Proposed law requires DOTD to submit performance progress reports including the performance objectives, indicators, and standards used by the department to determine the efficiency and effectiveness of the priority of projects in the program. Further requires the report to be submitted and maintained through the electronic performance database maintained and used by the division of administration to track state agency performance standards and on DOTD's webpage.

Proposed law requires, beginning with the program for FY17-18 and for each program thereafter, for DOTD to apply the prioritization factors provided for in present law and begin to prioritize all projects in the program which are at the stage of construction where sources of funding are being identified.

Proposed law further requires, beginning with the program for FY17-18, the department to prioritize all projects included in the program into two separate lists. The first list shall include a three-year plan for all projects in the program where funding is secured based on the anticipated and projected revenues available for construction in that fiscal year. Requires DOTD to publish the list with notations regarding whether the project is on-time, ahead of schedule, or delayed.

Proposed law requires, that as projects are completed from the first list, that they are deleted and replaced with projects from the second list beginning with the highest level of priority. Further requires DOTD to devise a detailed schedule of construction for all projects on this list which shall include at a minimum, the stage of construction, the estimated start date, and estimated end date for each phase of construction, associated costs, and funding sources for each phase.

Proposed law requires the second list to include a three-year plan for all projects in the program that can be funded if additional revenues become available. Each year, as projects move from this list to the first list, new projects shall be added to the second list from prioritized projects in the program starting with the highest level of priority.

Proposed law requires, beginning July 1, 2019, the legislative auditor to annually audit the avails

of the additional tax levied pursuant to the provisions of proposed law on gasoline, motor fuels, and special fuels, hereinafter "motor fuel taxes", to ensure compliance with the laws and regulations and adequacy of internal controls to ensure all of the following:

- (1) That the avails of the motor fuels tax are used in accordance with their restricted purposes as set forth in state constitution.
- (2) That the avails of the motor fuels tax are spent in appropriate categories.
- (3) That the avails of the motor fuels tax are spent on projects in compliance with the priorities set forth in the program.
- (4) That the avails of the motor fuels tax are spent in an efficient and effective manner showing improvement in program operations through performance measures such as pavement conditions, bridge conditions, safety improvements, implementation of the La. Statewide Transportation Plan, and other outcome measures as determined by the auditor.

Proposed law requires DOTD to annually submit a report to the legislature and the legislative auditor which contains detailed information regarding the expenditure breakdown of the avails of the motor fuel taxes utilized by the department in accordance with the restricted purposes as set forth in the state constitution and the methodology and outcomes of DOTD's prioritization of projects, and all source documentation. Proposed law provides for a detailed breakdown of additional information the report is required to include.

Proposed law requires the auditor to annually certify that the audit of the avails of the motor fuels tax are in substantial compliance.

Proposed law authorizes DOTD to enter into an agreement with a public entity or private entity to form a public-private partnership for the purpose of financing, planning, designing, constructing, and operating highway and bridge projects. All public-private partnerships shall be subject to review and approval by the Joint Legislative Committee on the Budget prior to entering into the public-private agreement and all public-private partnerships shall be subject to audit by the legislative auditor.

Proposed law requires all private entities seeking to participate in a public-private partnership that will be requesting or receiving state monies or assistance to submit information and documents to the legislative auditor to verify qualifications and experience for this type of work. The auditor shall maintain a list of private entities which are approved for participation after verification of the private entities qualifications and experience in this type of work.

(Amends R.S. 48:229.1(B) and (C); Enacts R.S. 48:229.1(A)(9) and (10), 229.2, and 236)