

---

## 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 598 Engrossed

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 on or after August 1, 2017 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.

Proposed law specifies that in cases where Priority A and B mega-projects would be prioritized equally in accordance with proposed law and present law, consideration must be given to mega-projects that have match monies from non-federal or non-state sources.

Present law requires, beginning in FY 2017-2018, DOTD to provide the legislature and public with a program that lists 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 changes the FY from 2017-2018 to FY 2018-2019 and 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.

Present law requires the following factors be considered when selecting projects to be included in the Highway Priority Program:

- (1) The condition of the roads, streets, and structures making up the state highway system and the relative urgency of the improvements considering their order of general needs.
- (2) The type and volume of traffic on a particular segment of roadway, highway, or bridge.
- (3) The crash records for a particular segment of roadway, highway, or bridge.
- (4) The technical difficulties in the preparation of plans and the procurement of rights-of-way for a particular segment of roadway, highway, or bridge.
- (5) Whether unforeseeable emergencies such as floods have created an immediate need for improvement or reconstruction.
- (6) Whether capacity improvements are warranted due to population or traffic volume increases in specific geographic areas.
- (7) Whether or not the highway or bridge is or will be on an evacuation route utilized to evacuate large populations due to catastrophic events such as hurricanes or flooding.
- (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 and adds whether the highway or bridge project will meet the needs to the local and regional planning organizations to ensure that there is an equitable distribution among the different regions of the state over a three year period as an additional factor to consider when selecting Highway Priority Program projects.

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 FY 2018-2019 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 FY 2018-2019, 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 programmed 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, 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 must be added to the second list from prioritized projects in the program starting with the highest level of priority.

Proposed law requires the district administrator of each of the nine DOTD districts to determine the prioritization of the pavement preservation projects in their respective district. Proposed law requires, after input from local government officials and metropolitan planning organizations, at least 35% of the avails of the new motor fuel tax to be divided among the DOTD districts based on state road mileage and average daily traffic in each district by a formula established by the department. Proposed law specifies that in an action for civil damages, the Highway Priority Program is not discoverable or admissible as evidence in any civil trial.

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 the state constitution.
- (2) That the avails of the motor fuels tax are spent in appropriate categories as outlined in proposed law and present law.
- (3) That the avails of the motor fuels tax are spent on projects in compliance with the priorities set forth in the applicable programs for prioritizing capital projects.
- (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 necessary to review any metrics determined by the legislative auditor. 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 clarifies that if the legislative auditor finds a lack of substantial compliance with any three consecutive audits, then the Legislative Audit Advisory Council is required to make recommendations of appropriate action to the legislature.

(Amends R.S. 48:229.1(B) and (C); Adds R.S. 48:229.1(A)(9), (10), and (11) and 229.2)

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Transportation, Highways and Public Works to the original bill:

1. Make technical changes
2. Add specification that the taxes referenced in proposed law are new taxes levied on or after Aug. 1, 2017.
3. Add that in cases where Priority A and B mega-projects would be prioritized equally in accordance with proposed law and present law, consideration must be given to mega-projects that have match monies from non-federal or non-state sources.
4. Change the fiscal year references in present law and proposed law from 2017-2018 to 2018-2019.

5. Add as a prioritization factor of the Highway Priority Program whether or not the project meets the needs of local and planning organizations that ensure equitable distribution among different regions of the state over a three-year period.
6. Require the district administrator of each of the nine DOTD districts to determine the prioritization of the pavement preservation projects in their respective district.
7. Require, after input from local government officials and metropolitan planning organizations, at least 35% of the avails of the new motor fuel tax to be divided among the DOTD districts based on state road mileage and average daily traffic in each district by a formula established by the department.
8. Specify that in an action for civil damages, the Highway Priority Program is not discoverable or admissible as evidence in any civil trial.
9. Require the legislative auditor to ensure new taxes are used in accordance with statutory provisions in addition to the provisions of the Transportation Trust Fund.
10. Change certain Highway Priority Program references to general language regarding applicable programs that require prioritization of projects.
11. Clarify that if the legislative auditor finds a lack of substantial compliance with any three consecutive audits, then the Legislative Audit Advisory Council is required to make recommendations of appropriate action to the legislature.
12. Delete all provisions relative to public-private partnerships.