
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 8 Original

2017 Second Extraordinary Session

Zeringue

Abstract: Adds authority for the local match requirement to be reduced to 10% if certain requirements are met.

Present law requires the legislature to enact a capital outlay bill which incorporates the first year of the five-year capital outlay program including the appropriation of funds from specified sources for capital projects to be expended during the next fiscal year. Present law establishes a process for applying for capital outlay funding as well as a process for reviewing and evaluating applications.

Proposed law retains present law.

Present law requires non-state 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 non-state entity has demonstrated its inability to provide a local match. Present law requires the division of administration to promulgate rules establishing a needs-based formula for determining the inability of a non-state entity to provide the required local match.
- (3) Projects for rural water systems servicing less than 1,000 customers to extend or connect waterlines to other water systems.

Proposed law retains present law but adds authority for the commissioner to reduce the local match requirement for non-state entity projects for FY 2017-2018 to not less than 10% of the *total project cost* if the non-state entity meets the following requirements:

- (1) Executes a statement of sponsorship which includes certification that all lands, easements, and rights-of-way will be acquired, that all permits to construct the project will be secured, and that all pre-construction activities such as planning, designing, and engineering will be completed, all without cost to the state.
- (2) The non-state entity executes an agreement to assume all maintenance and operation costs for the project and all future alterations to the project without cost to the state.

Proposed law requires the non-state entity to execute the statement of sponsorship prior to requesting a reduction in the local match requirement from the commissioner.

Proposed law is applicable to the funding of all non-state entity projects included in the capital outlay budget for Fiscal Year 2017-2018.

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

(Amends R.S. 39:112(E)(2)(intro. para.); Adds R.S. 39:112(E)(3))