

2018 Regular Session

SENATE BILL NO. 474

BY SENATOR COLOMB

CAPITAL OUTLAY. Authorizes certain projects to be undertaken by state agencies outside of the capital outlay process, and increases the amount exempt from professional service rules for contracts related to these activities. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 39:128(C), relative to certain state agency capital outlay projects;
3 to add to the type of projects and to increase the threshold for exclusion of certain
4 state agency projects from the capital outlay budget; to provide for an effective date;
5 and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 39:128(C) is hereby amended and reenacted to read as follows:

8 §128. Exemptions

9 * * *

10 C.(1) Except as provided by Subsection B of this Section, minor repairs,
11 renovations, or construction of buildings or other facilities **or the purchase of land,**
12 **buildings, or other facilities when the construction cost or purchase price is less**
13 **than or equal to the threshold amount,** may be undertaken by ~~an~~ **a state** agency
14 **on property owned by the state** without being included in the capital outlay budget,
15 provided that the expenditures for a fiscal year for these undertakings do not exceed
16 ~~one hundred fifty thousand dollars~~ **the threshold amount** cumulatively per agency
17 and the expenditures are first approved by the commissioner of administration and

1 the Joint Legislative Committee on the Budget. For the purpose of this Subsection,
2 "cost" shall not be construed to include design fees or movable equipment.

3 **(2) As used in this Subsection, "threshold amount" means three hundred**
4 **thousand dollars, adjusted annually in accordance with the United States**
5 **Bureau of Labor Statistics' consumer price index for all urban consumers as**
6 **published in January of each year.**

7 * * *

8 Section 2. This Act shall become effective upon signature by the governor or, if not
9 signed by the governor, upon expiration of the time for bills to become law without signature
10 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
11 vetoed by the governor and subsequently approved by the legislature, this Act shall become
12 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Martha Hess.

DIGEST

SB 474 Reengrossed

2018 Regular Session

Colomb

Present law authorizes minor repairs, renovations, or construction of buildings or other facilities may be undertaken by an agency without being included in the capital outlay budget, provided that the expenditures for a fiscal year for these undertakings do not exceed \$150,000 cumulatively per agency and the expenditures are first approved by the commissioner of administration and the Joint Legislative Committee on the Budget. Provides that the term "cost" shall not be construed to include design fees or movable equipment.

Proposed law retains present law but increases the authorization to allow state agencies to purchase land, buildings, or other facilities outside of the capital outlay process. Proposed law defines "exemption threshold" and increases the threshold from \$150,000 to \$300,000, adjusted annually in accordance with the U.S. Bureau of Labor Statistic's consumer price index for all urban consumers as published in January of each year. Proposed law provides that the construction to be undertaken by a state agency shall be on property owned by the state, provided the undertakings do not exceed \$300,000.

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

(Amends R.S. 39:128(C))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Changes the exemption threshold from \$1,000,000 to \$500,000 for minor repairs, renovations, or construction of buildings or other facilities by a state agency on state property.

2. Changes the threshold on allowed undertakings for purposes of benefitting from proposed law from \$1,000,000 to \$500,000.
3. Deletes provisions related to professional service contracts where the estimated construction cost exceeded \$1,000,000.

Committee Amendments Proposed by Senate Committee on Finance to the engrossed bill

1. Changes the exemption threshold from \$500,000 to \$300,000 for minor repairs, renovations, or construction of buildings or other facilities by a state agency on state property.
2. Defines "threshold amount" for purposes of proposed law.