LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 372** SLS 18RS 589
Bill Text Version: **ENROLLED**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 15, 2018 8:29 PM
Author: CORTEZ
Dept./Agy.: DOTD
Subject: Provides for Rural Grant Opportunity Program
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FLOOD PROTECTION AUTH EN SEE FISC NOTE SD EX See Note

Provides for Rural Grant Opportunity Program in the Statewide Flood Control Program. (8/1/18)

Present law provides for the Statewide Flood Control Program administered by the office of engineering in the Department of Transportation and Development, and requires a local match of 10% of the cost of construction from a governmental authority.

Proposed law creates the Rural Grant Opportunity Program to provide a mechanism for a municipality with a population less than 5,000 people or a parish with a population of fewer than 50,000 people located in a rural area without financial ability to provide the local match requirement of the Statewide Flood Control Program (SFCP) to apply for funds; restricts the Rural Grant Opportunity Program to 25% of the annual capital outlay for SFCP; provides for application requirements; relieves authorities receiving an approved grant application from satisfying the 10% local match; prohibits participation by special districts; and makes federal matching projects ineligible for funds under the Program. Proposed law is effective 8/1/18.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	$0	$0	$0	$0	$0	**$0**
Agy. Self-Gen.	$0	$0	$0	$0	$0	**$0**
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total						

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	$0	$0	$0	$0	$0	**$0**
Agy. Self-Gen.	$0	$0	$0	$0	$0	**$0**
Ded./Other	$0	$0	$0	$0	$0	**$0**
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

Proposed law provides a mechanism to assist an authority located in certain rural areas to acquire funding through the newly created Rural Grant Opportunity Program permitting application for funding from the Statewide Flood Control Program without requiring a 10% local match upon proof of inability to contribute.

In FY 18, the Statewide Flood Control Program was funded at $9.9 M. DOTD indicates that it anticipates the program will receive a temporary increase to $20 M in FY 19 to assist with the backlog of projects (see *NOTE* below). Proposed law provides that funds for the Rural Grant Opportunity Program shall not exceed 25% of the total Statewide Flood Control Program, which would equate to $2.475 M at the FY 18 funding level and $5 M at the potential FY 19 funding level.

While proposed law does not change the size of the funding allocation to the Statewide Flood Control Program, it will effectively diminish the total project costs that can be addressed in a given year if the 10% local match requirement is waived for any projects for eligible governmental authorities. For illustrative purposes, if two projects were funded under present law for a total cost of $1,000,000 each, the Statewide Flood Control Program would contribute $1.8 M of the total expenditure with the remaining $200,000 provided by local governmental units. Under proposed law, these two projects (if the local authority qualifies under the Rural Grant Opportunity Program) would be funded for the full $2 M out of the Statewide Flood Control Program and the $200,000 cost differential would not be available to award to other flood control projects competing for participation.

The Statewide Flood Control Program is primarily funded by allocations out of the Transportation Trust Fund - Regular, but also receives periodic appropriations of unexpended proceeds from G.O. Bonds remaining from other projects in the capital outlay bill (House Bill 2).

NOTE: House Bill 2 Original of the 2018 Regular Session of the Louisiana Legislature recommends $20 M from the Transportation Trust Fund Regular for FY 19.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules

☐ 13.5.1 >= $100,000 Annual Fiscal Cost {S&H}

☐ 13.5.2 >= $500,000 Annual Tax or Fee Change {S&H}

House

☐ 6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}

☐ 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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