

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 545** HLS 21RS 819

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> June 16, 2021	8:50 AM	<b>Author:</b> HUGHES
<b>Dept./Agy.:</b> Transportation and Development		<b>Analyst:</b> Alan M. Boxberger
<b>Subject:</b> Provides relative to DOTD and State Highway Improvement		

HIGHWAYS Page 1 of 1  
 EN SEE FISC NOTE SD EX See Note  
 Provides relative to the Department of Transportation and Development and the State Highway Improvement Fund for the expenditure of money

Present law requires monies appropriated from the State Highway Improvement Fund (SHIF) be used exclusively by DOTD to fund projects that are ineligible for federal highway funding assistance; and provides for allowable projects and uses of monies. Present law authorizes the secretary of DOTD, upon request by a local government to incorporate certain infrastructure within the state highway system into the parish or municipal system and turn over the maintenance thereof with approval by a majority of the legislative delegation; authorizes DOTD to provide a thing of value in exchange for the transfer; and requires the treasurer to credit to the Parish Transportation Fund all monies made available for road purposes by legislative appropriation. Proposed law authorizes the use of funds to compensate a local governing authority for the local's acceptance of ownership of any road on the state highway system that is not part of the federal highway system; authorizes funds transferred to a local government to be expended on any activity allowed in present law; and requires the treasurer to credit to the Parish Transportation Fund compensation made available by DOTD directly to a local governing authority and requires that such compensation be in excess of any funding distributed by the formula under present law.

<b>EXPENDITURES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

  

<b>REVENUES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
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Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Proposed law may shift certain expenditures related to the maintenance of existing state roads from the Department of Transportation and Development (DOTD) to local governing authorities to the extent such entities agree to absorb those roads into the parish or municipal system in exchange for suitable compensation. Any such shift in expenditure of funds is speculative and subject to agreement by all parties. The total fiscal impact of such prospective actions is unknown.

Proposed law will allow monies appropriated to the statutorily dedicated State Highway Improvement Fund to be used by DOTD to compensate a parish or municipal governing authority for the acceptance and ownership of any road in the state highway system that is not part of the federal highway system. DOTD will not realize any direct implementation costs associated with this measure. To the extent that any road in the state highway system is transferred to the ownership of a parish or municipal governing authority, the cost to maintain that facility will become the responsibility of the local governing authority and will no longer be maintained by DOTD. The total of any such compensation will be made as a supplemental appropriation to the local governing authority through Schedule 20-903 - Parish Transportation Fund of the General Appropriations Bill in addition to its normal appropriation by formula. The potential cost savings to DOTD will be dependent upon the lane mileage of road transferred and its general maintenance condition at the time of transfer. The department will presumably realize long-term cost savings associated with the future maintenance of any transferred roads.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure. Local governing authorities may receive compensation from the State Highway Improvement Fund to the extent any such entity accepts ownership and future maintenance of any road in the state highway system from DOTD. The compensation would be accomplished through an appropriation in Schedule 20-903 of the General Appropriations Bill. Any such increase in revenue to any local governing authority is speculative and subject to agreement by all parties. The total fiscal impact of such prospective actions is unknown.

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}

**Christopher A. Keaton**  
**Legislative Fiscal Officer**