



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

Fiscal Note On: **HB 39** HLS 23RS 213  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

**Date:** March 30, 2023 6:40 AM **Author:** TARVER, PHILLIP  
**Dept./Agy.:** Department of Transportation and Development  
**Subject:** Repeals \$160 M cap on annual deposits into the MLF **Analyst:** Kimberly Fruge

FUNDS/FUNDING OR SEE FISC NOTE SD EX Page 1 of 2  
 Removes restriction on total amount of money deposited into the Megaprojects Leverage fund each year

Proposed law removes the \$160 M cap on the total annual deposits into the Megaprojects Leverage Fund (MLF).

| EXPENDITURES        | <u>2023-24</u> | <u>2024-25</u> | <u>2025-26</u> | <u>2026-27</u> | <u>2027-28</u> | <u>5 -YEAR TOTAL</u> |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd.      | \$0            | \$0            | \$0            | \$0            | \$0            | \$0                  |
| Agy. Self-Gen.      | \$0            | \$0            | \$0            | \$0            | \$0            | \$0                  |
| Ded./Other          | \$0            | SEE BELOW      | SEE BELOW      | SEE BELOW      | SEE BELOW      | \$0                  |
| Federal Funds       | \$0            | \$0            | \$0            | \$0            | \$0            | \$0                  |
| Local Funds         | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>           |
| <b>Annual Total</b> | <b>\$0</b>     |                |                |                |                | <b>\$0</b>           |

  

| REVENUES            | <u>2023-24</u> | <u>2024-25</u> | <u>2025-26</u> | <u>2026-27</u> | <u>2027-28</u> | <u>5 -YEAR TOTAL</u> |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd.      | \$0            | \$0            | \$0            | \$0            | \$0            | \$0                  |
| Agy. Self-Gen.      | \$0            | \$0            | \$0            | \$0            | \$0            | \$0                  |
| Ded./Other          | \$0            | SEE BELOW      | SEE BELOW      | SEE BELOW      | SEE BELOW      | \$0                  |
| Federal Funds       | \$0            | \$0            | \$0            | \$0            | \$0            | \$0                  |
| Local Funds         | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>           |
| <b>Annual Total</b> | <b>\$0</b>     |                |                |                |                | <b>\$0</b>           |

**EXPENDITURE EXPLANATION**

Proposed law will result in an increase in deposits into the Megaprojects Leverage Fund (MLF) and a decrease in deposits available for cash managed capacity projects in FY 25 and thereafter until the completion of the four enumerated megaprojects. Under current law, 75% of annual revenues deposited into the Construction Subfund of the Transportation Trust Fund will be deposited into the MLF, capped at \$160 M. The remaining portion of the 75% can be used for capacity projects enumerated in LA R.S. 48:77(C)(2). The proposed measure removes the \$160 M cap on the total annual deposits into the MLF. Removing the cap will result in an increase in the available funding put towards the megaprojects, however, it will limit the amount of deposits available for cash managed capacity projects.

The table below outlines the projected deposit amounts in the MLF and the remaining available dollars for cash managed capacity projects under current law and proposed law. The estimates for the Construction Subfund are taken from the REC forecast on 12/15/2022.

|       | REC Forecast         | <u>Current Law:</u>  |                   | <u>Proposed Law:</u> |                   |
|-------|----------------------|----------------------|-------------------|----------------------|-------------------|
|       | Construction Subfund | MLF (75% or \$160 M) | Capacity Projects | MLF (75%)            | Capacity Projects |
| FY 24 | \$163.9              | \$122.9              | \$ -              | \$122.9              | \$-               |
| FY 25 | \$337.5              | \$160.0              | \$ 93.1           | \$253.1              | \$-               |
| FY 26 | \$311.1              | \$160.0              | \$ 73.3           | \$233.3              | \$-               |
| FY 27 | \$317.6              | \$160.0              | \$ 78.2           | \$238.2              | \$-               |

**REVENUE EXPLANATION**

Proposed law will result in an increase in deposits to the Megaprojects Leverage Fund (MLF) and a decrease in deposits available for cash managed capacity projects in FY 25 and thereafter until the completion of the four enumerated megaprojects.

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|--|--|--|
| <p><u>Senate</u></p> <p><input type="checkbox"/> 13.5.1 &gt;= \$100,000 Annual Fiscal Cost {S &amp; H}</p> <p><input type="checkbox"/> 13.5.2 &gt;= \$500,000 Annual Tax or Fee Change {S &amp; H}</p> | <p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) &gt;= \$100,000 SGF Fiscal Cost {H &amp; S}</p> <p><input type="checkbox"/> 6.8(G) &gt;= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p> |  |
|--|--|--|

**Evan Brasseaux**  
 Interim Deputy Fiscal Officer



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CONTINUED EXPLANATION from page one:

Project information is as follows:

I-10 Calcasieu River Bridge and I-10 Improvements Account

- Estimated Total Project Cost: \$1.5 B plus for Calcasieu River Bridge and I-10 improvements
- Current identified funding:
- \$210M (\$85 M G.O. Priority 5, \$30 M Coronavirus Response and Relief Supplemental Accounts Appropriations Act, \$50 M American Rescue Plan Act and \$45 M in the Infrastructure Investment and Jobs Act);
- \$100 M non-recurring SGF allocation deposited into the Megaprojects Leverage Fund account (HB 406 22RS)
- \$100 M out of the LA Rescue Plan Fund (HB 2 22RS)
- \$150 M MEGA Grant

I-49 South Leverage Fund Account

- Estimated Total Project Cost: \$8.6 B for 15 project segments (5 are complete at total cost of \$200 M)
- Current identified funding:
- \$7.5 M annually in Statutory Dedications out of the Unclaimed Property Leverage Fund (Used for Debt Service until 2034)
- \$100 M non-recurring SGF allocation deposited into the Megaprojects Leverage Fund account (HB 406)
- \$100 M appropriated out of the La Rescue Plan Fund (HB 2)
- \$3.5 M non-recurring SGF for utilities relocation in the Ambassador Caffery Interchange.

Mississippi River at Baton Rouge and Connections Account

- Estimated Total Project Cost: Greater than \$2 B for bridge and connecting arteries
- Current identified funding:
- \$300 M non-recurring SGF allocation deposited into the Megaprojects Leverage Fund account (HB 406)

I-49 North Leverage Fund Account

- Estimated Total Project Cost: \$865 M to \$1.2 B depending on route selection
- Current identified funding:
- \$7.5 M annually in Statutory Dedications out of the Unclaimed Property Leverage Fund (Used for Debt Service until 2033)

Note: LA R.S. 48:77(C)(2) currently identifies the following seven projects as being among those eligible for the cash managed capacity projects currently funded within the 75% allocated to the Construction Subfund (less the \$160 M maximum deposited into the MLF).

- 1) Widening of I-12 to six lanes and associated improvements where I-12 is not yet upgraded from Baton Rouge to the Mississippi state line.
2) Widening of Vancil Road from I-20 to Highway 80, Wallace Dean Road from I-20 to Arkansas Road, and East Kentucky Avenue in Ruston from Highway 167 to Highway 33; the replacement of aged timber bridges, completion of Highway 33 to Highway 80; adding paved shoulders and passing lanes from Farmerville to Oak Grove on Highway 2, and LA 15 at the Ouachita Parish Line to LA 33; realign LA 15 from US 80 to Arkansas Road; adding a sixth lane on Highway 165 beginning on Highway 15 to Highway 2.
3) Widening of LA 28 East to four lanes from Libuse to Hollway.
4) Widening of LA 173 to four lanes from Dr. Martin Luther King, Jr. Drive to Dougherty Avenue in Blanchard, Louisiana.
5) The addition of auxiliary lanes and noise mitigation on I-10 from the High Rise Bridge to the intersection of I-10 and Bullard Avenue in Orleans Parish.
6) Widening of I-10 to eight lanes from Williams Blvd. to Veterans Blvd.
7) Widening of I-10 to three lanes from LA 30 to LA 22.

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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