

2023 Regular Session

HOUSE BILL NO. 392

BY REPRESENTATIVES FRIEMAN AND GAROFALO

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

CAPITAL OUTLAY: Provides relative to line of credit recommendations for certain capital outlay projects funded through the Capital Outlay Act

1 AN ACT

2 To amend and reenact R.S. 39:122, relative to capital outlay; to provide for certain
3 requirements for nonstate projects; to provide relative to line of credit
4 recommendations for certain projects; to require the approval of certain line of credit
5 recommendations; to provide for applicability; to provide for an effective date; and
6 to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 39:122 is hereby amended and reenacted to read as follows:

9 §122. Commencement of work; delays in construction; public statement; allocated
10 funds

11 A.(1) No work shall commence and no contract shall be entered into for any
12 project contained in the ~~capital outlay act~~ Capital Outlay Act unless and until funds
13 are available from the cash sources indicated in the ~~act~~ Act or from the sale of bonds
14 or from a line of credit approved by the State Bond Commission, except contracts
15 for Department of Transportation and Development projects which are subject to the
16 provisions of R.S. 48:251(D).

17 (2) State-owned projects planned for the fiscal year in which an
18 appropriation has been funded shall be commenced in that fiscal year and the
19 administering agencies shall diligently commence work on those projects in
20 accordance with the provisions of the annual ~~capital outlay act~~ Capital Outlay Act;

1 Titles 38, 39, and 48 of the Louisiana Revised Statutes of 1950; and any other
2 applicable statutory provision. If a project cannot be commenced within the fiscal
3 year for which it is planned, the administering agency shall file with the project
4 records a public statement as to the factors causing the delay. The administering
5 agency shall send a copy of the public statement regarding the cause of the delay and
6 notice when the delaying factors have been overcome, no later than the first day of
7 February each year, to the Joint Legislative Committee on Capital Outlay and to each
8 senator and representative in whose district the project is located. When the cause
9 of the delay has been cured, the administering agency shall commence the work
10 immediately and expeditiously.

11 (3) The ~~Joint Legislative Committee on Capital Outlay~~ commissioner of
12 administration shall make recommendations to the ~~commissioner of administration~~
13 Joint Legislative Committee on Capital Outlay, hereinafter "committee", concerning
14 the ~~non-state~~ state and nonstate entity projects to be granted lines of credit. The
15 commissioner of administration shall submit ~~to the Joint Legislative Committee on~~
16 ~~Capital Outlay~~ to the committee a list of state and nonstate projects that ~~will be~~
17 ~~submitted to the State Bond Commission~~ the division of administration recommends
18 for lines of credit a minimum of five days prior to the submission to the State Bond
19 Commission no later than fifteen days prior to submission of the line of credit
20 recommendation list to the State Bond Commission for a meeting at which the lines
21 of credit are to be considered. The committee shall receive the list of
22 recommendations from the division of administration and may either approve the list
23 or make changes to the list. The committee shall make final recommendations and
24 shall separately approve a list of projects which shall be submitted to the State Bond
25 Commission for consideration of lines of credit. Only projects which receive
26 approval from the committee shall be submitted to the State Bond Commission for
27 consideration of lines of credit.

28 B.(1) Ports, levee districts, and other ~~non-state~~ nonstate entities shall wait
29 until there is a fully executed cooperative endeavor agreement and final approval has

1 been given by the facility planning and control section of the division of
2 administration, the Department of Transportation and Development, or the state
3 treasurer, whichever is applicable, before entering into contracts obligating state
4 funds.

5 (2) If a port, levee district, or other ~~non-state~~ nonstate entity, enters into a
6 contract, executes a purchase order or otherwise attempts to obligate any funds to be
7 reimbursed by the state without first fully complying with the provisions of this
8 Section, any obligation resulting therefrom shall remain the sole responsibility of the
9 port, levee district, or ~~non-state~~ nonstate entity, and the contract or purchase order
10 or other obligation shall not be eligible for reimbursement or payment by the state.

11 Section 2. The provisions of this Act shall apply to the funding of all projects
12 included in the capital outlay budget for fiscal years commencing on or after July 1, 2024.

13 Section 3. This Act shall become effective on July 1, 2024.

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 392 Reengrossed

2023 Regular Session

Frieman

Abstract: Requires the Joint Legislative Committee on Capital Outlay (JLCCO) to approve line of credit recommendations before the division of administration submits the list to the State Bond Commission for funding.

Present law requires the governor to submit his capital outlay budget which implements the first year of the five-year capital outlay program and the bond authorization bill for the sale of bonds to fund projects included in the bond portion of the capital outlay bill to the legislature no later than the 8th day of each regular session.

Present law requires JLCCO to make recommendations to the commissioner concerning nonstate entity projects to be granted lines of credit. Further requires the commissioner to submit the list of projects to be recommended for lines of credit to JLCCO a minimum of five days prior to submission of the list to the State Bond Commission (SBC).

Proposed law requires the commissioner to submit the list of recommendations to JLCCO no later than 15 days prior to submission of the line of credit recommendation list to SBC for a meeting at which lines of credit are to be considered.

Proposed law requires JLCCO to make final recommendations by either approving the list of recommendations or making changes to the list. Only projects which receive approval from JLCCO can be submitted to SBC for consideration of funding.

Applicable to the funding of all nonstate entity projects included in the capital outlay budget for fiscal years commencing on or after July 1, 2024.

Effective July 1, 2024.

(Amends R.S. 39:122)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Change the applicability and effective date for the provisions of proposed law from July 1, 2023, to July 1, 2024.

The House Floor Amendments to the engrossed bill:

1. Change the committee that the commissioner of administration is required to make line of credit recommendations to from the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs to JLCCO.
2. Require the commissioner to submit the list of recommendations to JLCCO no later than 15 days prior to submission of the line of credit recommendation list to SBC rather than no later than 15 days prior to the meeting date of SBC in which the lines of credit are to be considered for funding.
3. Remove proposed law requirement that the division of administration include an estimate of debt service costs associated with the sale of debt for the total project cost for each project presented to SBC for approval of a general obligation bond cash line of credit.