

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 857** HLS 24RS 2104

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | | |
|---|---------|--------------------------------|
| Date: April 15, 2024 | 5:59 PM | Author: CARTER, ROBBY |
| Dept./Agy.: Statewide | | Analyst: Kimberly Fruge |
| Subject: Capital Outlay - Local Match Exemptions | | |

CAPITAL OUTLAY EG DECREASE LF EX See Note Page 1 of 1
Expands the class of parishes eligible for a waiver of a matching funds requirement for capital outlay projects

Current law requires nonstate entities applying for capital outlay funding to provide a match of not less than 25% of the total project cost except, amongst other things, a project undertaken by a municipality with a population of less than 6,000 or a parish with a population of less than 7,500 which has demonstrated its inability to provide a local match.

Proposed law changes the parish exemption to those parishes with less than 12,000 which has demonstrated its inability to provide a local match.

Proposed law applies to projects included in the capital outlay budget for fiscal year commencing on or after July 1, 2025.

| EXPENDITURES | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 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 | DECREASE | DECREASE | DECREASE | DECREASE | \$0 |
| Annual Total | \$0 | | | | | \$0 |

| REVENUES | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 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

Proposed law is anticipated to reduce local expenditures given that it expands the criteria for exception from the 25% local match requirement for certain local capital outlay projects. The amount of this decrease is indeterminable as it depends on the number of approved local projects and the project's total cost. However, the enactment of the proposed law may encourage more parishes to apply for capital outlay funds since they may be exempt from the 25% match requirement.

Note: Proposed law has no impact on state expenditures since the number of capital outlay projects and the amount of capital outlay spending are functions of the state's available debt capacity, which is not impacted by the proposed change to non-state entity projects. The line of credit for nonstate entity projects is currently limited to no more than 25% of the cash line of credit for projects. Therefore the same total amount will be appropriated for nonstate entity projects. However, this may impact how the total line of credit for nonstate entity projects is allocated on a per-project basis and/or may reduce the number of projects funded through the capital outlay program.

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}

Patrice Thomas
Deputy Fiscal Officer