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## DIGEST

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HB 346 Engrossed

2025 Regular Session

Deshotel

**Abstract:** Establishes the Local Infrastructure Fund and provides for use of the monies in the fund.

Proposed law establishes the Local Infrastructure Fund as a special fund in the state treasury. Monies collected from the avails of state sales and use tax levied on telecommunications services, cable television services, direct-to-home satellite services, video programming services, and satellite digital audio radio services shall be deposited into the fund. Any donations, gifts, grants, appropriations, or other revenue shall also be deposited into the fund.

Proposed law provides that monies in the fund shall be invested in the same manner as monies in the state general fund. Interest earned on investment of monies in the fund shall be credited to the fund. Unexpended and unencumbered monies in the fund at the end of the fiscal year shall remain in the fund.

Proposed law is applicable to taxable periods beginning on or after Jan. 1, 2025.

Proposed law authorizes the use of monies in the fund for the repair, improvement, and consolidation of community water and sewer systems for a parish or local governing authority that has not received a grant from the Water Sector Program. Limits appropriations from the fund to \$10M per fiscal year for such projects. Proposed law restricts use of the monies in the fund to a specific appropriation made in a bill enacted by the legislature.

Effective upon signature of governor or lapse of time for gubernatorial action.

***Changes contingent upon adoption of the constitutional amendment that originated as House Bill No. 366***

If and when the proposed amendment of Art. VII of the Constitution of La. contained in the Act which originated as House Bill No. 366 of this 2025 R.S. of the Legislature is adopted at a statewide election and becomes effective, proposed law authorizes monies in the fund to be used for the following:

- (1) Distribution to ad valorem tax recipient bodies within a parish to offset losses attributable to business inventory exemptions to the ad valorem tax granted by a parish.
- (2) Any remaining monies in the fund may be appropriated, not to exceed \$10M per fiscal year, for the repair, improvement, and consolidation of community water and sewer systems for

a parish or local governing authority that has not received a grant from the Water Sector Program.

Proposed law retains deposit, investment, and applicability provisions otherwise provided in proposed law.

Proposed law specifies that in the event of a conflict the authorized uses of monies in the fund that are contingent upon the adoption of the constitutional amendment that originated as HB 366 of the 2025 R.S. shall supersede.

(Adds R.S. 39:100.254)

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original bill:

1. Change the use of monies in the fund from community water and sewer projects and local road projects to community water and sewer projects only.
2. Add a \$10M limit per fiscal year for community water and sewer projects.
3. Establish the Local Infrastructure Fund and provide for its uses should House Bill No. 366 of the 2025 Regular Session of the Legislature be adopted at a statewide election and become effective. Provide for this version of the fund to supersede any other version of the fund enacted into law.
4. Provide that proposed law is applicable to taxable periods on or after Jan. 1, 2025.