

## HOUSE SUMMARY OF SENATE AMENDMENTS

HB 381

2025 Regular Session

Brass

CAPITAL OUTLAY: Increases the population limitation of municipalities for purposes of qualifying for a local match waiver and provides for documentation and certifications that must be submitted by waiver applicants

### Synopsis of Senate Amendments

1. Adds limitation that the inability of a parish or municipality to provide a local match must be unrelated to the mismanagement of governmental operations, financial misconduct, abuse, or fraud.
2. Requires a parish or municipality to demonstrate its inability to provide a local match by submitting audits that include an unqualified auditor's opinion and certification that there are no unresolved audit findings, a certification that the waiver applicant has not been appointed a fiscal administrator, and certification that the waiver applicant is not delinquent on any outstanding debts, liabilities, or contractual or retirement payment obligations.
3. Requires the division of administration to submit recommendations for waiver approval to the Joint Legislative Committee on Capital Outlay (JLCCO) and requires the JLCCO to review and have final approval of match waivers.

### Digest of Bill as Finally Passed by Senate

Present law requires the legislature to enact a capital outlay bill which includes appropriations from specified sources, including bond proceeds, to be expended during the ensuing fiscal year for capital projects as defined in present law. Further requires nonstate entity capital outlay projects to have a match of not less than 25% of the total project cost, but provides for certain exceptions to this match requirement.

Proposed law retains present law.

Present law authorizes the division of administration, at its discretion, to waive all or a portion of the 25% match requirement for a nonstate entity project undertaken by a municipality with a population of less than 6,000 or a parish with a population of 12,000 or less which has demonstrated, through a procedure established in present law, its inability to provide a local match.

Proposed law retains present law but increases the threshold in which a *municipality* may be eligible for the local match waiver for capital outlay projects from 6,000 to 9,500. Further requires the nonstate entity's inability to provide a local match be unrelated to the mismanagement of governmental operations, financial misconduct, abuse, or fraud.

Present law requires a municipality or parish to demonstrate its inability to provide a local match by submitting documentation to the division of administration including the applicant's two most recent annual financial reports and a rate study conducted within the prior three years to the waiver request if the project relates to an existing utility system.

Proposed law retains present law but adds requirement that a match waiver applicant submit the two most recent annual financial reports *or* audits pursuant to present law that include an unqualified auditor's opinion and certification that there are no unresolved audit findings as well as a certification that the applicant has not been appointed a fiscal administrator pursuant to present law and a certification that the applicant is not delinquent on any outstanding debts, liabilities, or contractual or retirement payment obligations.

Proposed law requires the division of administration (DOA) to review documentation submitted by the applicant and submit recommendations for waiver approval to the JLCCO. Further requires the JLCCO to review DOA's recommendations and have final approval of match waivers.

Proposed law is applicable to the funding of projects included in the capital outlay budget for fiscal years commencing on or after July 1, 2025.

Effective July 1, 2025.

(Amends R.S. 39:112(E)(2)(e))