

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 686** HLS 16RS 662

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 28, 2016 10:50 AM	Author: RICHARD
Dept./Agy.: Executive/DOA Office of Facility Planning & Control	Analyst: Willie Marie Scott
Subject: Capital Outlay Line of Credit	

CAPITAL OUTLAY OR SEE FISC NOTE Page 1 of 1
Prohibits the recommendation and approval of line of credit recommendations for certain capital outlay projects.

The present law provides for the process of recommending and approving lines of credit to fund capital outlay appropriations.

The proposed legislation retains the present law and appears to prohibit, for FY 17 and FY 18, the Division of Administration (DOA) from recommending and the State Bond Commission (SBC) from approving any line of credit recommendations for a new capital outlay project which has not previously received capital outlay funding from any means of financing. It further prohibits the DOA from recommending and the SBC from approving any line of credit recommendations for additional funding for an existing capital outlay project which is not necessary for the completion of the project.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure since eliminating new projects for FYs 17 & 18 will not decrease or eliminate the need for bond sales through FY 21. According to DOA Office of Facility Planning & Control, there is a backlog of projects which includes approximately \$1.1 B of authorized cash lines of credit (Priority 1) that will not decrease or eliminate the need for bond sales over the next 5 years. Additionally, there is approximately \$2.2 B of authorized non-cash line of credit (Priority 5), which may potentially move up to the cash line of credit (Priority 1).

The proposed legislation would appear to help limit the growth of the capital outlay program and state's need to issue debt that would be included in net state tax supported debt (NSTSD).

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

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

Evan Brasseaux

Evan Brasseaux
Staff Director