

2017 Second Extraordinary Session

HOUSE BILL NO. 8

BY REPRESENTATIVE ZERINGUE

CAPITAL OUTLAY: Provides relative to the local match requirements for non-state entities applying for capital outlay funding

1 AN ACT

2 To amend and reenact R.S. 39:112(E)(2)(introductory paragraph) and to enact R.S.
3 39:112(E)(3), relative to capital outlay; to provide with respect to the capital outlay
4 process; to provide for the local match requirements for certain capital outlay
5 projects; to add certain requirements to the exception to the local match requirement
6 for certain non-state entity projects; to repeal certain exceptions to the local match
7 requirement; to provide for applicability; to provide for an effective date; and to
8 provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 39:112(E)(2) (introductory paragraph) is hereby amended and
11 reenacted and R.S. 39:112(E)(3) is hereby enacted to read as follows:

12 §112. Capital outlay act

13 * * *

14 E.

15 * * *

16 (2) ~~Non-state~~ Except as provided for in Paragraph (3) of this Subsection for
17 Fiscal Year 2017-2018, non-state entity projects shall require a match of not less than
18 twenty-five percent of the total requested amount of funding except:

19 * * *

Proposed law retains present law.

Present law requires non-state entities applying for capital outlay funding to provide a match of not less than 25% of the total requested funding amount with the following exceptions:

- (1) Projects deemed to be an emergency by the commissioner of administration.
- (2) Projects for which a non-state entity has demonstrated its inability to provide a local match. Present law requires the division of administration to promulgate rules establishing a needs-based formula for determining the inability of a non-state entity to provide the required local match.
- (3) Projects for rural water systems servicing less than 1,000 customers to extend or connect waterlines to other water systems.

Proposed law retains present law but adds authority for the commissioner to reduce the local match requirement for non-state entity projects for FY 2017-2018 to not less than 10% of the *total project cost* if the non-state entity meets the following requirements:

- (1) Executes a statement of sponsorship which includes certification that all lands, easements, and rights-of-way will be acquired, that all permits to construct the project will be secured, and that all pre-construction activities such as planning, designing, and engineering will be completed, all without cost to the state.
- (2) The non-state entity executes an agreement to assume all maintenance and operation costs for the project and all future alterations to the project without cost to the state.

Proposed law requires the non-state entity to execute the statement of sponsorship prior to requesting a reduction in the local match requirement from the commissioner.

Proposed law is applicable to the funding of all non-state entity projects included in the capital outlay budget for Fiscal Year 2017-2018.

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

(Amends R.S. 39:112(E)(2)(intro. para.); Adds R.S. 39:112(E)(3))