

2023 Regular Session

SENATE BILL NO. 166

BY SENATORS JACKSON, BARROW, BOUIE, CARTER, CATHEY, CLOUD,
DUPLESSIS, FIELDS, HEWITT, KLEINPETER, LUNEAU, MIZELL,
PRICE AND SMITH

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

CAPITAL OUTLAY. Authorizes the division of administration to waive local match requirements for certain non-state entity projects. (gov sig)

1 AN ACT

2 To enact R.S. 39:112(E)(2)(e), relative to capital outlay procedure; to provide relative to
3 match requirements for non-state entity projects; to authorize the division of
4 administration to waive the local match requirements for certain projects; to provide
5 for application requirements; to provide for effectiveness; and to provide for related
6 matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 39:112(E)(2)(e) is hereby enacted to read as follows:

9 §112. Capital outlay act

10 * * *

11 E.(1) * * *

12 (2) Non-state entity projects shall require a match of not less than twenty-five
13 percent of the total requested amount of funding except:

14 * * *

15 **(e)(i) The division of administration may, at its discretion, waive the**
16 **entire match or a portion thereof for an applicant project undertaken by a**
17 **municipality or parish with a population of less than six thousand which has**

1 **demonstrated its inability to provide a local match by submitting to the division**
 2 **of administration:**

3 **(aa) The applicant's two most recent annual financial reports.**

4 **(bb) If the applicant project relates to an existing utility system, a rate**
 5 **study conducted within three years prior to the request for a waiver of the**
 6 **match.**

7 **(ii) If the applicant project relates to an existing utility system, the**
 8 **division of administration may, at its discretion, approve a waiver of the entire**
 9 **match or a portion thereof pursuant to this Subparagraph that is contingent**
 10 **upon the applicant increasing utility rates.**

11 * * *

12 Section 2. This Act shall become effective upon signature by the governor or, if not
 13 signed by the governor, upon expiration of the time for bills to become law without signature
 14 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 15 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 16 effective on the day following such approval.

The original instrument was prepared by Curry J. Lann. The following digest,
 which does not constitute a part of the legislative instrument, was prepared
 by Emily Toler.

DIGEST

SB 166 Reengrossed 2023 Regular Session Jackson

Present law requires the governor to submit to the legislature no later than the eighth day of each regular session a capital outlay budget which implements the first year of the five-year capital outlay program and the bond authorization bill for the sale of bonds to fund projects included in the bond portion of the capital outlay bill.

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.
- (3) A water or sewer project for a system servicing 1,250 or fewer connections.
- (4) A project undertaken by a governmental entity to provide natural gas utility services for a system that services 1,250 or fewer connections.

Proposed law adds an exception that the division of administration may, at its discretion, waive the entire match or a portion thereof for an applicant project undertaken by a municipality or parish with a population of less than 6,000 which has demonstrated its inability to provide a local match by submitting the following to the division of administration:

- (1) The applicant's two most recent annual financial reports.
- (2) If the applicant project relates to an existing utility system, a rate study conducted within three years prior to the request for a waiver of the match.

Proposed law provides that if the applicant project relates to an existing utility system, the division of administration may, at its discretion, approve a waiver of the entire match or a portion thereof pursuant to proposed law that is contingent upon the applicant increasing utility rates.

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

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

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Makes technical amendments.

Senate Floor Amendments to engrossed bill

1. Makes technical amendments.
2. Provides that an applicant project may be undertaken by a municipality or parish with a population of less than 6,000.
3. Provides for information to be submitted by a municipality or parish to the division of administration for relation to an applicant project.
4. Provides the division of administration may waive entire match or a portion thereof for an applicant project for an existing utility system.