

GREEN SHEET REDIGEST

HB 381

2025 Regular Session

Brass

CAPITAL OUTLAY: Increases the population limitation of municipalities for purposes of eligibility for a waiver of the matching funds requirement for capital outlay projects

DIGEST

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 additionally requires the applicant to submit the two most recent annual financial reports or audits pursuant to present law as well as a certification that the applicant has not been appointed a fiscal administrator under present law and a certification that the applicant is not delinquent on any outstanding debts, liabilities, or contractual or retirement payment obligations and otherwise retains present law.

Proposed law requires the division of administration to review documentation submitted by the applicant and submit recommendations for waiver approval to the Joint Legislative Committee on Capital Outlay. Further requires the Joint Legislative Committee on Capital Outlay to review the recommendations submitted 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)(i)(intro. para.))

Summary of Amendments Adopted by Senate

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

1. Clarify that an inability to provide a local match must be unrelated to certain situations.
2. Require additional documentation be submitted by a parish or municipality to demonstrate inability to provide a local match.

3. Require the division of administration to submit recommendations for waiver approval to the Joint Legislative Committee on Capital Outlay and requires Joint Legislative Committee on Capital Outlay to review and make final approval of match waivers.
4. Make technical changes.