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1 WHEREAS, according to the provisions R.S. 39:112(E)(1), general obligation bond
2 funding of nonstate projects is limited to no more than twenty-five percent of the cash line
3 of credit capacity for projects in any fiscal year; and

4 WHEREAS, the amount of cash line of credit capacity is determined each fiscal year
5 by the Office of Facility Planning and Control. The amount of cash line of credit capacity
6 for Fiscal Year 2018-2019 is three hundred ninety million dollars, but has fluctuated between
7 three hundred seventy and three hundred eighty-five million dollars over the last several
8 fiscal years; and

9 WHEREAS, fluctuating revenues have resulted in repeated mid-year state operating
10 deficits and projected ensuing year state operating deficits that reduce the amount of
11 discretionary funds available for operating budget and capital expenditures and payment of
12 debt service on capital expenditures; and

13 WHEREAS, because of the projected state operating budget deficit for Fiscal Year
14 2018-2019, the state is limited in the amount of general obligation bond proceeds that can
15 be raised, and debt service that can be funded, in Fiscal Year 2019 and thereafter to provide
16 for the capital outlay program; and

17 WHEREAS, the House Ways and Means Committee held numerous hearings in
18 2016, 2017, and 2018 on the issue of the status of capital outlay projects included in the
19 capital outlay program and the challenge the state faces with the current funding of the
20 capital outlay program; and

21 WHEREAS, during the 2018 Regular Session of the Legislature, House Bill No. 900
22 was introduced which proposes to establish the Louisiana Capital Outlay Revolving Loan
23 Bank to provide financial assistance for capital infrastructure projects of local governments
24 and political subdivisions through loans; and

25 WHEREAS, even with established state and federal government programs to assist
26 local governments and nongovernmental entities with funding sources needed for capital
27 projects, local governments and nongovernmental entities encounter financial challenges in
28 meeting match requirements and other required local contributions in order to fund capital
29 projects;

1 WHEREAS, the state should consider funding from all private and public sources
2 in order to maximize the projects that are designed, planned, and constructed through the
3 capital outlay program, including the possibility of establishing incentives such as tax credits
4 or rebates as incentives to maximize public and private donations for the capital outlay
5 program; and

6 WHEREAS, the House Ways and Means and the Senate Revenue and Fiscal Affairs
7 Committees should work with the State Treasurer, the Office of Facility Planning and
8 Control, and other stakeholders to continue to explore alternative funding sources that could
9 provide financing to local governments and nongovernmental entities for planning, design,
10 construction, and maintenance costs associated with needed infrastructure projects while
11 preserving the state fisc over the long term.

12 THEREFORE, BE IT RESOLVED the Legislature of Louisiana requests the House
13 Ways and Means Committee and the Senate Revenue and Fiscal Affairs Committee to study
14 and conduct interim hearings to identify alternative funding sources, including but not
15 limited to exploring options such as establishing tax credits or rebates as incentives for
16 donations by private individuals or businesses, to support nonstate entity projects in the
17 capital outlay program or otherwise provide for the finance of nonstate projects and to report
18 the findings of the committees to the full legislature prior to the convening of the 2019
19 Regular Session.

20 BE IT FURTHER RESOLVED that a copy of this Study Request be transmitted to
21 the State Treasurer's Office and to the Office of Facility Planning and Control in the Division
22 of Administration.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HCSR 2 Original

2018 Second Extraordinary Session

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Requests the House Ways and Means Committee and the Senate Revenue and Fiscal Affairs Committee to study and conduct interim hearings to identify alternative funding sources, including but not limited to exploring options such as establishing tax credits or rebates as incentives for donations by private individuals or businesses, to support nonstate entity projects in the capital outlay program or otherwise provide for the finance of nonstate projects, and to report the findings of the committees to the full legislature prior to the convening of the 2019 Regular Session.