

RÉSUMÉ DIGEST

ACT 189 (HB 381)

2025 Regular Session

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Existing 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 existing 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.

Existing law authorizes the division of administration (DOA), at its discretion, to waive all or a portion of the 25% match requirement for a nonstate entity project undertaken by a parish with a population of 12,000 or less which has demonstrated its inability to provide a local match. Prior law authorized the DOA, 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 which demonstrated its inability to provide a local match.

New law 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 that the nonstate entity's inability to provide a local match must be unrelated to the mismanagement of governmental operations, financial misconduct, abuse, or fraud.

Existing 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.

New law adds requirements that a match waiver applicant must submit the two most recent annual financial reports *or* audits pursuant to existing law that include an unqualified auditor's opinion and certification that there are no unresolved audit findings as well as a certification that the applicant has not been appointed a fiscal administrator and a certification that the applicant is not delinquent on any outstanding debts, liabilities, or contractual or retirement payment obligations.

New law requires the DOA to review documentation submitted by the applicant and submit recommendations for waiver approval to the JLCCO. Further requires the JLCCO to review DOA's recommendations and have final approval of match waivers.

New 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))