

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 9** HLS 201ES 8  
 Bill Text Version: **ENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> June 9, 2020 6:20 PM	<b>Author:</b> ZERINGUE
<b>Dept./Agy.:</b> Treasury	<b>Analyst:</b> Greg Albrecht
<b>Subject:</b> Transfer to Budget Stabilization Fund	

FUNDS/FUNDING EG SEE FISC NOTE SD RV See Note Page 1 of 1  
 Provides for the transfer, deposit, and use of monies among state funds (Item #10)

The bill directs the treasurer to transfer out of the state general fund \$223,690,291 into the Budget Stabilization Fund. These funds are to be wholly comprised of non-recurring revenues recognized by the Revenue Estimating Conference from the FY19 surplus. Directs the treasurer to transfer out of the state general fund \$3,000,000 and into the Major Events Incentive Program Subfund. Makes various changes to the flow of royalty fees associated with Hunters for the Hungry Louisiana prestige license plates, as well as donations to the program when individuals purchase fishing and hunting licenses. Modifies the provisions of the Coronavirus Local Recovery Allocation Fund, the Louisiana Main Street Recovery Fund, and the State Coronavirus Relief Fund, as established in SB 189 of the 2020 Regular Session.

Effective upon governor's signature.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

**REVENUE EXPLANATION**

The state constitution requires 25% of designated non-recurring revenue be deposited into the Budget Stabilization Fund (BSF). On January 31, 2020, the Revenue Estimating Conference recognized \$534,509,518 of surplus from FY19, and designated these funds as non-recurring. Twenty-five percent of this total is \$133,627,380 million. However, the bill directs the transfer of \$223,690,291 to the BSF (an additional \$90,062,911 of surplus), for a total of 41.8% of the available surplus. This bill is effective upon the governor's signature, and this transfer will presumably be recorded as an FY20 transaction.

Of the remaining FY19 surplus, at least 10% (\$53,450,952) is constitutionally allocated to the unfunded accrued liabilities of the state employees' and teachers' retirement systems. The balance (\$257,368,275) is constitutionally available for other enumerated debt payoff and capital outlay uses.

The bill also directs the transfer of \$3,000,000 from the state general fund and into the Major Events Incentive Program Subfund. The bill is effective upon governor's signature, and it is not clear if this transfer will be posted to FY20 or FY21.

The changes to the financing flows of the Hunters for the Hungry Louisiana program involve royalty fees associated with prestige license plate purchases and renewals, as well as donations associated with hunting and fishing license purchases, and are presumably intended for effect in FY21 and beyond.

Directs the Treasurer to transfer to the Allocation Fund, \$565,478,704 from the federal monies allocated to Louisiana by the CARES Act (a \$54.3 million increase from \$511,178,704 in SB 189). Clarifies that annual amounts of 0.5% shall be available for appropriation to GOHSEP. An additional 0.5% (change from 1%) of the initial deposit to the Fund shall be available for appropriation to the legislative auditor for program review costs. The existing allocation to the Main Street Recovery Fund (\$300 million) is changed from an appropriation to a directive to the treasurer. Authorizes the treasurer to transfer (changed from appropriation) to the State Coronavirus Relief Fund any unobligated monies in the Coronavirus Local Recovery Fund Allocation Fund and the Louisiana Main Street Recovery Fund on December 1, 2020. Authorizes the JLCB to allocate Relief Fund monies to local governments, eligible businesses, and the state, as well as into other funds.

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|---|----------------------------|--|
| <u>Senate</u>   | <u>Dual Referral Rules</u> | <u>House</u>   |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}       |                            | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}                    |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H} |                            | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

**John D. Carpenter**  
**Legislative Fiscal Officer**