

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 598** HLS 15RS 928

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action: **w/ SEN COMM AMD**

Proposed Amd.: **w/ PROP #2 SEN COMM AMD**

Sub. Bill For.:

Date: June 1, 2015 1:25 PM	Author: FOIL
Dept./Agy.: Department of Education	Analyst: Charley Rome
Subject: Makes Changes to the Louisiana ABLÉ Act	

EXCEPTIONAL PERSONS RE1 +\$64,000 GF RV See Note Page 1 of 2
Provides for implementation of the ABLÉ Account savings program for persons with disabilities

Proposed law provides for full implementation of the ABLÉ Account program in a manner consistent with provisions of the Stephen Beck, Jr., ABLÉ Act of 2014 (Pub. L. 113-295), enacted Dec. 19, 2014, and referred to hereafter as "the federal ABLÉ Act". The bill transfers the ABLÉ Account Authority from within the Department of Health and Hospitals to the Department of Education. The bill revises definitions in present law in the following manner to provide for consistency with the federal ABLÉ Act: (1) Amends definitions of "ABLÉ Account", "ABLÉ Account Program" and "program", and "qualified disability expense". (2) Adds definitions of "designated beneficiary" and "eligible individual". (3) Repeals definitions of "beneficiary", "department", and "person with a disability". Proposed law adds full compliance with the federal ABLÉ Act as a purpose of the program. The bill revises present law to provide for treatment of the program consistent with Section 529A of the Internal Revenue Code, as enacted by the federal ABLÉ Act, **(Bill Summary Continued on Page Two)**

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$64,000	\$54,000	\$54,000	\$54,000	\$54,000	\$280,000
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
Annual Total	\$64,000	\$54,000	\$54,000	\$54,000	\$54,000	\$280,000

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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
Annual Total						

EXPENDITURE EXPLANATION

State general fund expenditures will increase by approximately \$64,000 in FY16 for the following estimated costs related to the proposed legislation: programming costs (one-time costs of \$10,000), audit costs (\$44,000 per year), and administrative costs including rule making, promotional materials, IT support, etc. (\$10,000 per year). Costs in FY17 and thereafter are estimated to be approximately \$54,000 per year for audit costs (\$44K) and miscellaneous administrative costs of \$10K per year for the items described above.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. The proposed legislation says that amounts deposited in an ABLÉ Account on behalf of any designated beneficiary may be excluded from tax table income for purposes of Louisiana income tax if authorized by the provisions of R.S. 47:293(9)(a) for tax years beginning on and after January 1, 2016. However, authority for ABLÉ Account tax exclusions under R.S. 47:293(9)(a) are proposed in HB 234 of the 2015 Regular Session and not authorized directly by this bill (HB 598). As such, the proposed legislation has no direct impact on governmental revenues.

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|---|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {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} |

Evan Brasseaux
Evan Brasseaux
Staff Director

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CONTINUED EXPLANATION from page one:
(Bill Summary Continued from Page One)

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relative to qualified ABLE programs and deletes all provisions providing for equivalency of the program with qualified tuition programs provided for in the Internal Revenue Code. The state treasurer shall invest monies deposited in ABLE Accounts in the same manner as prescribed by R.S. 17:3091 et seq. for investment of monies deposited in START Program accounts. Funds in ABLE accounts shall be invested in such investment options and subject to the same requirements and limitations for funds deposited in START Program accounts provided in R.S. 17:3091 et seq., except as otherwise provided in this Chapter.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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