

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 149** SLS 19RS 219

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 20, 2019	9:03 AM	Author: LUNEAU
Dept./Agy.: Statewide		Analyst: Alan M. Boxberger
Subject: Authorizes the state to sell or transfer of certain property		

PUBLIC BUILDINGS/GROUNDS OR INCREASE GF RV See Note Page 1 of 2
 Authorizes the state of Louisiana to sell or transfer certain state property. (8/1/19)

Proposed law authorizes the commissioner of administration and the secretary of the Louisiana Department of Health (LDH) to transfer certain property related to the Central Louisiana Hospital in Rapides Parish; authorizes the commissioner of administration and the secretary of the Department of Transportation and Development (DOTD) to transfer certain property in Rapides Parish to the town of Boyce; authorizes the commissioner of administration and the secretary of the Department of Children and Family Services (DCFS) to transfer certain property in Jackson Parish to the Greater North Louisiana Community Development Corporation; and requires that after subtracting costs incurred by the division of administration related to the sale of the Central Louisiana State Hospital properties, the proceeds of any sale be paid into the LDH Facility Support Fund an dedicated to the restoration, renovation, or construction of the Central Louisiana State Hospital.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total		\$0	\$0	\$0	\$0	\$0

REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total		\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law will result in nominal, one-time expenditures for the State Land Office (SLO), LDH, DOTD and DCFS related to the appraisal, transfer and/or sale of certain properties. The bill specifies in three sections the properties to convey, transfer, assign, lease or deliver. For purposes of this fiscal note, the assumption is that the properties will be sold. To the extent any of the agencies enter into a lease agreement for the enumerated properties, the cost assumptions would change accordingly.

Section 1: Authorizes and empowers the commissioner of administration and Secretary of LDH to convey, transfer, assign, lease or deliver certain property related to the Central Louisiana Hospital in Rapides Parish. The total costs to effectuate such transfer are unknown and will depend on the activities necessary to appraise and survey the properties, and the total purchase price if a buyer is identified.

Section 2: Authorizes and empowers the commissioner of administration and Secretary of DOTD to transfer certain property in Rapides Parish to the town of Boyce. SLO reports that appraisals contracted pursuant to legislation is considered a cost of

SEE EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

Proposed law will result in an indeterminable, one-time increase in SGF revenues and a one-time, indeterminable deposit of revenues into the Louisiana Department of Health Facility Support Fund. Pursuant to R.S. 39:13 and 41:131, et seq., and notwithstanding exceptions provided for in 39:14, all proceeds derived from the sale of state agency properties shall be placed in the SGF. The State Land Office reports that the amount of revenue that may be derived from the sale of properties is impossible to determine until appraisals have been conducted.

Section 7 of **proposed law** reserves proceeds from the sale of properties listed in Section 1 for LDH, less SLO costs, for deposit into the statutorily dedicated Louisiana Department of Health Facility Support Fund for use in the restoration, renovation or construction of the Central Louisiana State Hospital.

For informational purposes, DCFS reports that the property in Section 3 was appraised on March 22, 2017, at \$85,000.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
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Staff Director

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CONTINUED EXPLANATION from page one:
EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

doing business by policy, unless the benefactor of said legislation declines to purchase the property at the appraised value. In that instance, the benefactor will be responsible for reimbursing SLO for the full cost of the appraisal. This fiscal note assumes the benefactor will agree to purchase the property at the appraised value and SLO will incur a cost of approximately \$3,000 SGR based on contracts procured by SLO in the past.

Section 3: Authorizes and empowers the commissioner of administration and Secretary of DCFS to transfer certain property in Jackson Parish to the Greater North Louisiana Community Development Corporation. SLO reports that appraisals contracted pursuant to legislation is considered a cost of doing business by policy, unless the benefactor of said legislation declines to purchase the property at the appraised value. In that instance, the benefactor will be responsible for reimbursing SLO for the full cost of the appraisal. This fiscal note assumes the benefactor will agree to purchase the property at the appraised value and SLO will incur a cost of approximately \$3,000 SGR based on contracts procured by SLO in the past.

Sections 4 through 6 of **proposed law** stipulate that the commissioner and corresponding secretary of the property-owning agency are authorized to enter into any agreements to effectuate the transfer of property in exchange of consideration at least proportionate to the appraised value of the properties.

Section 7 authorizes the SLO to deduct a portion of the sale proceeds of the property identified in Section 1 necessary to offset its appraisal, survey and other closing costs occasioned by the transaction. The balance of the proceeds shall be deposited into the Louisiana Department of Health Facility Support Fund for use in the restoration, renovation or construction of the Central Louisiana State Hospital. This provision could potentially offset future capital outlay expenditures, but the amount to be deposited into the fund cannot be determined until appraisals have been conducted.

The agencies liquidating these property assets may realize minimal legal expenditures associated with recording costs to transfer the properties, but may also realize a reduction of expenditures necessary to upkeep and provide for liability coverage on the properties in question. The departments are expected to utilize available appropriation authority, which may be paid from one or more of multiple means of finance (SGF, SGR or statutory dedications).

Senate Dual Referral Rules

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

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

House

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

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

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