

**LEGISLATIVE FISCAL OFFICE**  
Fiscal Note



Fiscal Note On: **SB 382** SLS 10RS 708

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

|   |         |  |
|---|---------|--|
| <b>Date:</b> June 3, 2010                                       | 8:30 AM | <b>Author:</b> MORRELL                 |
| <b>Dept./Agy.:</b> Office of Coastal Protection and Restoration |         | <b>Analyst:</b> Stephanie C. Blanchard |
| <b>Subject:</b>   |         |  |

COASTAL RESOURCES EG INCREASE EX See Note Page 1 of 1

Provides relative to integrated coastal protection and recovery for certain losses arising from business interruption. (8/15/10)

Proposed legislation provides that in addition to any other action authorized by law, there shall be a right of action to seek damages or compensation from the state or a political subdivision for losses arising from the interruption of a business activity as a result of integrated coastal protection. There shall be no recovery by the claimant for the first fifty thousand dollars of loss. Additionally, any amount recovered under the provisions of proposed law shall be reduced by the amount of any insurance proceeds received by the claimant from a policy for business interruption.

| <b>EXPENDITURES</b> | <b>2010-11</b> | <b>2011-12</b> | <b>2012-13</b> | <b>2013-14</b> | <b>2014-15</b> | <b>5 -YEAR TOTAL</b> |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd.      | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Agy. Self-Gen.      | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Ded./Other          | INCREASE       | INCREASE       | INCREASE       | INCREASE       | INCREASE       |                      |
| Federal Funds       | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Local Funds         | INCREASE       | INCREASE       | INCREASE       | INCREASE       | INCREASE       |                      |
| <b>Annual Total</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>           |

  

| <b>REVENUES</b>     | <b>2010-11</b> | <b>2011-12</b> | <b>2012-13</b> | <b>2013-14</b> | <b>2014-15</b> | <b>5 -YEAR TOTAL</b> |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd.      | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Agy. Self-Gen.      | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Ded./Other          | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Federal Funds       | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Local Funds         | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>     | <b>\$0</b>           |
| <b>Annual Total</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>           |

**EXPENDITURE EXPLANATION**

The proposed legislation will likely result in an indeterminable but significant increase in state and local government expenditures. It is assumed that the state costs associated with litigation and damage awards would be paid from dedicated funds for coastal restoration and protection. Additionally, damages or compensation may also be sought from local political subdivisions.

The number of businesses that may file a claim as provided for in this legislation, is indeterminable, as well as the value of their business activity. According to testimony in committee, one known claim of \$5.5M exists by a business in the New Orleans Hurricane Protection Project Area.

**REVENUE EXPLANATION**

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

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

House  
 6.8(F) >= \$100,000 Annual SGF Cost  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

**Robert E. Hosse**  
**LFO Staff Director**