

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 187** HLS 14RS 813
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 25, 2014 12:56 PM	Author: LOPINTO
Dept./Agy.: Children and Family Services	Analyst: Patrice Thomas
Subject: Gestational Surrogacy Contracts	

CHILDREN EN SEE FISC NOTE GF EX See Note Page 1 of 2
 Provides for surrogacy regulation in Louisiana

Proposed law provides for the enforceability of a gestational surrogacy contract that is deemed medically necessary by an OB/GYN physician. Proposed law provides that gestational surrogacy contracts may be court approved in advance of utero embryo transfer after record checks by the local sheriff or state police, DCFS, and the Supreme Court. Proposed law provides, through a court order, that the intended parents (married in accordance with LA law) shall be recognized as the legal parents before the birth of the child. Proposed law provides that all court proceedings are confidential. Proposed law provides that the DCFS may request a post-birth order from the court if the intended parents fail to do so. Proposed law provides that the court, through a post-birth order, direct the issuance of a new birth certificate and specifies the contents of the birth certificate. Proposed law provides that a party of the gestational surrogacy contract may annul a post-birth order on grounds of fraud or duress. Proposed law provides for judicial recovery if gestational mother dies. Proposed law provides for DHH to collect gestational surrogacy data from physicians. Proposed law expands the sale of minor children offense.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$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>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

This proposed legislation may result in an increase in State General Fund expenditures as a result of authorizing the enforceability of gestational surrogacy contracts; however the exact fiscal impact of this legislation is indeterminable.

Judicial and Local

The proposed legislation may result in an indeterminable increase in State General Fund expenditures. However the exact fiscal impact of this legislation due to judicial workload and attendance (presence of judges, magistrates, clerks, bailiffs, counsel, etc.) costs associated with approval and enforceability of gestational surrogacy contracts are indeterminable because the number of surrogacy contracts that will be filed is unknown.

Department of Children and Family Services, Office of State Police and Local Sheriffs

The proposed legislation requires parties to a gestational surrogacy contract to obtain background checks from the local sheriff or Office of State Police and the Department of Children and Family Services (DCFS) as well as obtain a new birth certificate from the Department of Health and Hospitals (DHH). Any fees associated with obtaining backgrounds checks and new birth certificates will be the responsibility of the parties to the gestational surrogacy contracts. The Legislative Fiscal Office (LFO) anticipates that any additional work associated with this legislation in the departments mentioned above will be incremental in nature, and that the departments can potentially accomplish these tasks utilizing existing staff.

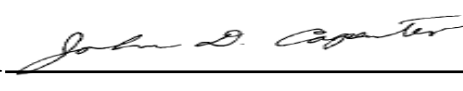
Department of Health and Hospitals

The proposed legislation may result in an increase in minimal workload within the Department of Health and Hospitals (DHH), Office of Public Health (OPH) to collect gestational surrogacy data from physicians. The department has indicated any added workload can be handled with existing resources associated with this measure. In addition, DHH is authorized to assess penalties on physicians that fail to comply with gestational surrogacy data collection.

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REVENUE EXPLANATION

The revenue associated with this legislation as a result of penalties assessed by the Department of Health and Hospitals (DHH) on physicians that fail to comply with the gestational surrogacy data collection is indeterminable. The Legislative Fiscal Office cannot determine the number of physicians that, after failing to submit gestational surrogacy data, will be assessed a penalty or anticipate the amount of revenue that will be generated from penalties assessed. This measure does not provide for a penalty fee schedule.

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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} | 
John D. Carpenter
Legislative Fiscal Officer |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {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} | | |

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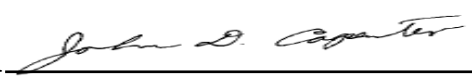
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CONTINUED EXPLANATION from page one:

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Department of Corrections

The proposed legislation may result in an indeterminable increase in state general fund expenditures for the Department of Corrections (DOC) as a result of expanding the criminal offense of sale of minor children. The proposed legislation criminalizes the following as the sale of a minor child, which is punishable by a fine of \$50,000, imprisonment up to 10 years, or both: (1) any financial compensation in gestational contracts other than medical, legal, lost wages, and travel costs; and (2) any person from offering compensation or monetary value to induce a woman to consent to an abortion. It is not known how many people will be convicted of sale of a minor child. However, any offender sentenced to the custody of the Department of Public Safety and Corrections increases expenditures by \$24.39 per day per offender in local facilities. To the extent that offenders are sentenced and housed in state facilities, the cost per day per offender is \$52.51. Currently, the Department of Corrections houses approximately 50% of state offenders at the local level and 50% at the state level.

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