



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 125** HLS 23RS 84
 Bill Text Version: **RE-REENGROSSED**
 Opp. Chamb. Action: **w/ SEN COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

| | | |
|---|----------|--------------------------------|
| Date: May 31, 2023 | 12:14 PM | Author: ECHOLS |
| Dept./Agy.: Statewide | | |
| Subject: Restricts Agriculture Land Ownership by Foreign Adversaries | | Analyst: Patrice Thomas |

AGRICULTURE RR1 INCREASE GF EX See Note Page 1 of 1
 Provides relative to agriculture land protection against foreign adversaries

Proposed law restricts any foreign adversary or prohibited foreign actor from owning agricultural land within the state. Under proposed law, a foreign adversary or prohibited foreign actor shall not directly or indirectly own, acquire, lease, or otherwise obtain agricultural land. Proposed law provides exempts foreign adversaries under the following circumstances: (1) right is guaranteed by a treaty or if the person's country of origin affords real estate rights to U.S. citizens; (2) title to agricultural land is held as a security to indebtedness or acquired upon collection of a debt; (3) foreign business entity is a religious, educational, charitable, or scientific corporation; (4) inherited land, or land received as payment for a debt, is sold or transferred within five years. Proposed law provides for civil penalties of \$50,000 and forfeiture, seizure, or divestiture. Under the proposed law, the Attorney General must investigate any violations of this proposed law as well as bring legal action. Proposed law exempts real estate agents/brokers, title insurance producers and underwriters, lenders, notary publics, and examining attorneys from duty to investigate or liability. Proposed law applies to property acquired after August 1, 2023.

| EXPENDITURES | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 5 -YEAR TOTAL |
|---------------------|-----------|-----------|-----------|-----------|-----------|---------------|
| State Gen. Fd. | INCREASE | INCREASE | INCREASE | INCREASE | INCREASE | |
| 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 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | | | | | | |

| REVENUES | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 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 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | | | | | | |

EXPENDITURE EXPLANATION

Proposed law increases expenditure in Attorney General/Department of Justice. The proposed law prohibits any foreign adversaries or prohibited foreign actors from owning agricultural land within the state after August 1, 2023. The proposed law requires the Attorney General to bring legal action against any foreign adversary or prohibited foreign actor that violates this measure.

The Attorney General reports the Public Protection Division, which is tasked with enforcement, could require a new section and four (4) new employees. The staffing estimates for the new section include salaries and related benefits (\$372,916). Other recurring costs include travel (\$4,500), supplies (\$2,000), operating services (\$28,000), and acquisitions beginning in FY 25. One-time expenditures are acquisitions of office furniture and computer equipment (\$17,808). In subsequent fiscal years, the fiscal note presumes a 4% increase in salaries for market rate adjustments and related benefits as the LFO presumes positions will be classified.

| Expenditures | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|
| Salaries | \$240,000 | \$249,600 | \$259,584 | \$269,967 | \$280,766 |
| Related Benefits | \$132,916 | \$138,543 | \$144,410 | \$150,528 | \$156,907 |
| Personal Services Sub-total | \$372,916 | \$388,143 | \$403,994 | \$420,495 | \$437,673 |
| Operating Services | \$28,000 | \$28,560 | \$29,131 | \$29,714 | \$30,308 |
| Travel | \$4,500 | \$4,590 | \$4,682 | \$5,570 | \$5,681 |
| Supplies | \$2,000 | \$2,100 | \$2,205 | \$2,315 | \$2,431 |
| Acquisitions | \$17,808 | \$2,000 | \$2,200 | \$2,420 | \$2,541 |
| Total Expenditures | \$425,224 | \$425,393 | \$442,212 | \$460,514 | \$478,635 |

The LFO cannot corroborate the increased workload predicted by the department. To the extent the additional workload is less than what the Attorney General anticipates, the additional workload may be absorbable, either wholly or partially, using existing staff and resources or may be achievable with fewer than four positions. The proposed law authorizes Attorney General to utilize civil penalties collected under this measure to recover expenses incurred associated with investigation and enforcement. To the extent civil penalties are collected, the need for SGF in future fiscal years may be mitigated.

REVENUE EXPLANATION

Proposed law allows the Attorney General to assess a civil penalty of \$50,000 and forfeiture if a foreign adversary does not divest its agricultural land within a year after a judgment. The LFO cannot determine the number of foreign adversaries that will be assessed civil penalties or anticipate the amount of revenue collected from civil penalties.

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

Evan Brasseaux
 Interim Deputy Fiscal Officer