



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **SB 506** SLS 26RS 1495
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 22, 2026	3:27 PM	Author: BARTHELEMY
Dept./Agy.: Housing Corporation		
Subject: Dream Starter Act		Analyst: Richie Anderson

HOUSING OR +\$542,635 GF EX See Note Page 1 of 2
 Creates the Dream Starter Act. (gov sig)

Proposed law creates the Dream Starter Act, to create a targeted and accountable program to expand access to first-generation homeownership. Proposed law establishes the First Generation Home Buyer Assistance Fund within the Treasury, which shall be administered by the Louisiana Housing Corporation. Proposed law provides that the program shall provide forgivable loans to eligible applicants for mortgage related fees. The Louisiana Housing Corporation (LHC) shall submit an annual report to the legislature that includes participation, geographic distribution, loan performance, and program outcomes. LHC shall implement safeguards including income verification, occupancy verification, and recapture provisions for noncompliance.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$542,635	\$556,201	\$570,106	\$584,359	\$598,968	\$2,852,269
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The proposed law will increase SGF expenditures for the Louisiana Housing Corporation (LHC) by \$542,635 in FY 27, \$556,201 in FY 28, \$570,106 in FY 29, \$584,359 in FY 30, and \$598,968 in FY 31 to establish and administer the Dream Starter Act.

Note: The LHC is an off-budget quasi-governmental entity that is not included within the General Appropriation Bill. The LHC reports there is no known source of funds available to administer this program, and therefore would require SGF. Proposed law is silent on whether the LHC can use monies in the First-Generation Home Buyer Assistance Fund for administrative costs. To the extent the fund can be used for administrative costs, the costs illustrated in this fiscal note will shift from SGF to Statutory Dedications.

LHC reports that to implement this program they will require two (2) additional T.O. positions, a Housing Finance Specialist 3 (salary and related benefits - \$95,262) and a Marketing Representative 1 (salary and related benefits - \$89,681). LHC reports that in addition to the new staff, the current staff will have an increase in workload that is anticipated to cost \$206,040 for direct hours billed annually. Additionally, LHC will require operating expenses of \$78,200 for system modifications, geocoding software, mapping software, marketing supplies, printing supplies, travel, and translation services for program materials. Finally, LHC will require \$70,452 in other expenses such as indirect costs including salaries and related benefits for administrative staff, supplies, and maintenance. All expenses assume an annual increase of 2.5% in the out years for the annual growth rate. See below for a breakdown of the required expenditures.

Expenditure Category	FY 27	FY 28	FY 29	FY 30	FY 31
New Staff Salary and RB	\$184,943	\$189,567	\$194,306	\$199,164	\$204,143
Current Staff Direct Hours	\$206,040	\$211,191	\$216,471	\$221,883	\$227,430
Total Personal Services	\$390,983	\$400,758	\$410,777	\$421,047	\$431,573
Operating Expenses	\$78,200	\$80,155	\$82,159	\$84,213	\$86,318
Indirect Costs	\$70,452	\$72,213	\$74,018	\$75,868	\$77,765
Equipment	\$3,000	\$3,075	\$3,152	\$3,231	\$3,312
Total SGF Expenditures	\$542,635	\$556,201	\$570,106	\$584,359	\$598,968

The LFO acknowledges that implementation of the proposed law will result in additional workload, though it cannot be confirmed whether existing positions within the Housing Corporation can, in whole or in part, absorb this increase. To the extent that the increase in workload differs from what is anticipated by the LHC and existing staff are able to manage the increase, estimated expenditures may be lower than those provided in this fiscal note.

Expenditure Explanation Continued on Page 2.

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 {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}

Patrice Thomas
Deputy Fiscal Officer



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CONTINUED EXPLANATION from page one:

Expenditure Explanation Continued:

Treasury

The proposed law may increase expenditures for the Treasury. The Treasury shall establish the First-Generation Home Buyer Assistance Fund. The fund shall consist of legislative appropriations, federal funds, grants, gifts, donations, repayments, interest earnings, and other lawful sources. The Treasury reports that creating a new Statutory Dedication within the state treasury will result in a marginal increase in workload that can be absorbed using existing staff and resources. To the extent that other legislative instruments create new Statutory Dedications, there may be material additional costs associated with the aggregate effort to administer these funds.

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

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