

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 1141** HLS 26RS 2306

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 15, 2026	12:57 PM	Author: LANDRY, TERRY JR
Dept./Agy.: Louisiana Department of Health		Analyst: Anthony Shamis
Subject: Regulation relative to gestational carrier agreements		

HEALTH OR INCREASE SD EX See Note Page 1 of 2
Provides for comprehensive regulation relative to gestational carrier agreements

Proposed law provides for the licensing and regulation of gestational carrier agencies and programs, provides for definitions, establishes eligibility requirements for parties to gestational carrier agreements, provides for content, execution, and enforceability of gestational carrier agreements. Proposed law establishes procedures for administrative pre-parentage certification and judicial parentage determinations. Proposed law requires licensure of gestational carrier agencies. Proposed law creates the Louisiana Gestational Carrier Agency Regulator Program within the Louisiana Department of Health (LDH). Proposed law provides for escrow requirements, financial controls, and disclosure requirements. Proposed law establishes screening, counseling, independent-counsel, insurance verification, record keeping, and enforcement standards. Proposed law authorizes civil, administrative, and criminal penalties. Proposed law provides a private right of action. Proposed law provides for requirements to license gestational carrier matching and coordinating entities. Proposed law provides for documentation of gestational carrier agreements. Proposed law establishes a gestational carrier registry. Proposed law establishes the Gestational Carrier Consumer Protection Fund. Proposed law provides for fees and civil penalties, creates a public records exception, and provides for related matters. Proposed law shall take effect on August 1, 2026. Gestational carrier agreements executed prior to the effective date shall be governed by the law in effect at the time of their execution, provided that any party may elect in writing to have the agreement governed by this act before entry of a parentage order.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0

Annual Total

EXPENDITURE EXPLANATION

Proposed law is anticipated to increase SGF expenditures and Statutory Dedications out of the Gestational Carrier Consumer Protection Fund (see revenue explanation below) by \$1.1 M in FY 27 for the Louisiana Department of Health (LDH), Health Standards Section (HSS). This amount includes \$1.1 M for the addition of ten (10) T.O. positions for nine months, \$16,500 in associated operating expenses, and \$4,680 for equipment to support a new licensure and regulatory program for gestational carrier agencies. Beginning in FY 28, a full 12 months of expenditures are reflected at an estimated annual cost of \$1.5 M.

Information provided by the LDH indicates that the proposed law requires the Health Standards Section to implement and administer comprehensive oversight functions associated with the new licensure and regulatory program for gestational carrier agencies, including regulatory and administrative responsibilities not currently performed by the department. To meet these requirements, the department anticipates the need for two (2) Medical Certification Specialist 2 positions (surveyors), one (1) Medical Certification Program Manager position, one (1) Administrative Specialist position, and six (6) Attorney positions.

EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

Proposed law is anticipated to result in an increase in Statutory Dedication revenues in the Gestational Carrier Consumer Protection Fund by an indeterminable amount associated with the collection of license fees and civil penalties from gestational carrier agencies. Revenue collections will depend upon the number of agencies seeking licensure and the fee amounts established through administrative rulemaking. In addition, revenues generated from civil administrative penalties will depend upon the number and severity of violations committed by gestational carrier agencies.

Application for license:

Proposed law provides for an initial license fee established by rule of the department, not to exceed \$2,500.

Civil Administrative Penalties:

Proposed law provides that in addition to or in lieu of other administrative sanctions, the department may assess civil administrative penalties, as follows: (1) not more than \$2,500 per violation per day for a first violation; (2) not more than \$10,000 per violation per day for a second violation for the same provision within five years; (3) not more than \$25,000 per violation per day for a third or subsequent violation of the same provision within five years; (4) for misappropriation of client funds or escrow funds not more than three times the amount misappropriated, or \$100,000, whichever is greater, per occurrence; (5) not more than \$5,000 per day for each day of unlicensed operation for operation without a required license.

REVENUE EXPLANATION CONTINUED ON PAGE TWO

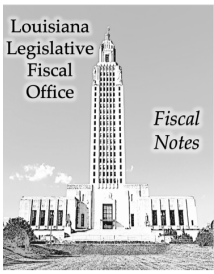
Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

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}

Alan M. Boxberger

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CONTINUED EXPLANATION from page one:

EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

The department will be responsible for promulgation of rules, development of a licensing portal and registry, and ongoing regulatory activities including initial and annual licensure surveys, complaint intake, investigations, and enforcement actions. In addition, proposed law requires time-sensitive review and certification of gestational carrier agreements, oversight of escrow accounts and financial disclosures, and routine audits, resulting in significant legal and financial compliance responsibilities.

According to the department, the complexity and anticipated volume of contractual reviews, combined with the expected influx of providers seeking licensure, necessitates dedicated legal staff to ensure statutory compliance, support enforcement activities, and defend agency determinations. Furthermore, proposed law assigns duties to the department involving determinations affecting legal rights, contractual enforceability, and pre-parentage certification, functions traditionally performed by the courts, thereby increasing legal risk and the need for specialized legal expertise.

LDH based its estimate on the assumptions listed below:

Personnel Costs (\$1.1 M):

HSS reports that salary and related benefits for the addition of ten (10) T.O. positions for nine months in FY 27 will total \$1,117,508, or \$124,167.56 per month, including \$710,287 for salaries and \$407,221 for related benefits. The cost of these positions for 12 months, beginning in FY 28, is \$1,490,011, calculated as \$124,167.56 per month multiplied by 12 months (\$124,167.56 × 12 = \$1,490,011).

Operating Expenses (\$16,500):

Operating expenses include \$12,750 for travel and \$3,750 for supplies for nine months in FY 27, totaling \$16,500, or \$1,833.33 per month. Total operating expenses annualized for 12 months, beginning in FY 28 are \$22,000, calculated as \$1,833.33 per month multiplied by 12 months (\$1,833.33 × 12 = \$22,000).

Equipment Costs (\$4,680):

Equipment costs in FY 27 include \$2,880 for computer leases (10 T.O. × \$32 per month × 9 months), \$400 for 10 hard case protectors, \$800 for two mobile scanners, and \$600 for two mobile printers. Beginning in FY 28, the only equipment costs are \$3,840 for computer leases, calculated as 10 T.O. × \$32 per month × 12 months.

Note: The LFO is unable to corroborate the estimated staffing level, operating expenses, and equipment costs projected by LDH. To the extent the required staffing levels may be lower or higher, corresponding operating costs would shift accordingly. To the extent that a portion or all of the prescribed duties can be absorbed by existing staff and resources, a portion of the projected costs may be mitigated. Should additional information regarding estimated expenditures become available, this fiscal note will be updated.

EXPENDITURES	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Personal Services	\$1,117,508	\$1,490,011	\$1,490,011	\$1,490,011	\$7,077,552
Operating Expenses	\$16,500	\$22,000	\$22,000	\$22,000	\$22,000
Equipment	\$4,680	\$3,840	\$3,840	\$3,840	\$3,840
Total Expenditures	\$1,138,688	\$1,515,851	\$1,515,851	\$1,515,851	\$1,515,851
T.O.	10	10	10	10	10

REVENUE EXPLANATION CONTINUED FROM PAGE ONE

Gestational Carrier Consumer Protection Fund:

The fund shall consist of any monies appropriated by the legislature, any civil penalties, and gestational carrier licensing fees. Interest earned on monies in the fund shall be credited to the fund. All unexpended and unencumbered monies and earnings remaining in the fund at the end of the fiscal year shall remain in the fund. The monies in the fund shall be administered by LDH and shall be used exclusively to fund all of the following: (1) administration and enforcement of proposed law; (2) consumer education and outreach related to the services provided for in proposed law; (3) restitution to gestational carriers or intended parents harmed by violations of proposed law; development and maintenance of the public registry. The LFO assumes deposits into the fund will be insufficient to fully cover the costs estimated by the department.

LDH is required to develop regulations and guidelines for the distribution and allocation of any monies appropriated to the department pursuant to proposed law.

Note: The original version of HB 1141 provides that the Department of Transportation and Development shall develop regulations and guidelines for the distribution and allocation of monies appropriated to LDH. The LFO assumes that this is a drafting error and will be amended to reflect LDH.

Senate
 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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