



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 408** HLS 14RS 368

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 11, 2014	10:46 AM	Author: CHAMPAGNE
Dept./Agy.: Legislative Auditor		
Subject: Coastal Restoration Projects Audits		Analyst: Matthew LaBruyere

COASTAL RESOURCES

EG INCREASE SG EX See Note

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Provides for audits of certain coastal restoration projects

Proposed law authorizes the legislative auditor to audit the books and accounts of any state, local, or quasi public entity for any year in which the entity receives or expends funds related to the Deepwater Horizon oil spill, including any funds received under the provisions of the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE), or any other federal or state law. Proposed law provides that the scope of review for these funds shall include but is not limited to compliance with state and federal laws related to the receipt and expenditure of these funds including but is not limited to evaluating internal controls, internal audit functions, reporting and performance requirements required for use of the funds, and compliance with state and federal law. Proposed law requires the legislative auditor to adopt guidelines for the form and conduct of audits performed by independent certified public accountants of state, local, or quasi public entities for any funds received or expended related to the Deepwater Horizon oil spill, including any funds received pursuant to the RESTORE Act. For RESTORE Act funds, such (**CONTINUED PAGE 2**)

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.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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	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.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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

The proposed legislation will result in an increase in self-generated revenue expenditures as a result of auditing any state, local, or quasi public entity for any year in which an entity received funds related to the Deepwater Horizon oil spill. The Legislative Auditor would require at least 3 additional auditors to handle the increased workload. The cost for salary, related benefits, and operating expenses associated with the 3 auditors would be approximately \$300,000. The cost would funded by RESTORE Act funds, which allows the Legislative Auditor to receive one half of one percent of the 3 percent of each grant that is allowed for administrative expenses. To the extent, the RESTORE Act funds do not cover the entire cost of the Legislative Auditor’s expenses, SGF resources may be needed.

NOTE: The Legislative Auditor is funded by SGF and SGR. The RESTORE Act funds would be deposited in the the Coastal Protection and Restoration Fund within the Coastal Protection and Restoration Authority. These funds would then be transferred to the auditor’s office and classified as self-generated revenues.

REVENUE EXPLANATION

The proposed legislation will result in an indeterminable increase in self-generated revenue as a result of auditing any state, local, or quasi public entity for any year in which an entity received funds related to the Deepwater Horizon oil spill. The exact amount of funding that will be received is indeterminable. However, the Legislative Auditor will be able to receive one half of one percent of the 3 percent of each grant that is allowed for administrative expenses as part of the RESTORE Act. As discussed above, these revenues will be utilized to fund the audit expenditures.

Senate

Dual Referral Rules

House

☐ 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

☒ 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

☐ 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}

☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

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

Evan Brasseaux

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Staff Director



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CONTINUED EXPLANATION from page one:

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Continued Explanation of Purpose from Page one:

guidelines shall take into account the rules for such audits adopted by the secretary of the U.S. Treasury. Proposed law authorizes the legislative auditor to make public any audit performed pursuant to proposed law and report findings to the secretary of the U.S. Treasury in addition to the reporting requirements in present law. Proposed law provides that the costs of the audits required by the RESTORE Act or any rules promulgated by the U.S. Treasury, shall come from the 3% of each grant allowed for administrative expenses under the RESTORE Act. Costs of up to ½ of 1% of the 3% allowed for administrative expenses shall be paid to the legislative auditor for any such audit. Proposed law authorizes the Coastal Protection and Restoration Authority Board to certify and, where appropriate, submit such certification to the governor, a parish's comprehensive land use plan as consistent with or complementary to the most recent comprehensive coastal protection master plan approved by the legislature. Proposed law requires that for a land use plan to be approved by the board or the governor, the plan must provide for audits by the legislative auditor and costs as provided in proposed law.

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(F)(2) >= \$500,000 State Rev. Reduc. {H & S}

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

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