



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 573** SLS 14RS 1460
Bill Text Version: **RE-REENGROSSED**
Opp. Chamb. Action: **w/ HSE COMM AMD**
Proposed Amd.: **w/ PROP HSE FLOOR AMD**
Sub. Bill For.:

Date: May 27, 2014	2:26 PM	Author: CHABERT
Dept./Agy.: DOTD/LED		
Subject: Creates the Office of Ports and Maritime Commerce		Analyst: Charley Rome

PUBLIC TRANSPORTATIONRR1 SEE FISC NOTE GF EXPage 1 of 2

Creates the office of ports and maritime commerce in the Department of Economic Development and transfers powers, duties, and responsibilities with respect to ports and maritime commerce and corresponding department employees, The proposed legislation creates the Office of Ports and Maritime Commerce within the Department of Economic Development beginning on January 1, 2016. The bill creates the Office of Ports and Maritime Commerce under the immediate supervision and direction of the Commissioner of Ports and Maritime Commerce appointed by the Governor with consent of the Senate. The commissioner is authorized to employ, appoint, remove, assign, and promote such personnel as is necessary for the efficient administration required in performing those responsibilities. The secretary,deputy secretary and other employees of the department have no authority to exercise, review, administer, or implement the powers, duties, functions, and responsibilities provided or authorized for the office pursuant to the proposed law. **(Bill Summary Continued on Page Two)**

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$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

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.	\$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 legislation will not significantly increase governmental expenditures if the proposed Office of Ports and Maritime Commerce operates solely on staff and funding transferred from the Department of Transportation and Development (DOTD). However, governmental expenditures may increase in FY16 and thereafter if the Office of Ports and Maritime Commerce requests significant increases in funding for additional staff or operating expenses above amounts initially transferred from DOTD. DOTD may also incur costs in the future if the Office of Ports and Maritime Commerce makes new or expanded requests to DOTD for employees, equipment, and facilities for engineering and construction of projects and permitting as allowed by the proposed legislation. The Legislative Fiscal Office presumes that any additional costs associated with the Office of Ports and Maritime Commerce in FY16 or thereafter would be subject to appropriation by the Legislature.

DOTD will transfer 6 staff and associated funding to the Office of Ports and Maritime Commerce. The staff and funding impact the operational and capital outlay budgets. Specifically, DOTD currently allocates \$800,000 in operating funds supporting port functions from the Transportation Trust Fund (TTF). Capital outlay funding supporting port functions includes \$19.7M from TTF for the Port Priority Program. The staff and funding identified by DOTD do not include administrative costs associated with these staff and functions. The bill requires that DOTD transfer administrative funding with the operational and capital staff and funding. There is no way to estimate the administrative funding DOTD might transfer, or potential DOTD operational impacts from such transfers. There are no operational or administrative impacts to the Department of Economic Development because proposed amendments require the office to be a separate and independent agency within the department for budgetary and fiscal purposes.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

SenateDual Referral RulesHouse

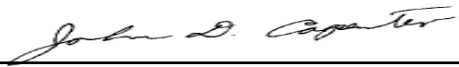
☐ 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

☐ 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}



John D. Carpenter
Legislative Fiscal Officer



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CONTINUED EXPLANATION from page one: Page 2 of 2
(Bill Summary Continued from Page One)

Proposed law requires the transfer to the Office of Ports and Maritime Commerce, effective January 1, 2016, the powers, duties, responsibilities and corresponding department employees, equipment, facilities, and funding of the Department of Transportation and Development [DOTD] with respect to the function of administering, managing, providing for, planning, and facilitating ports, harbors, and water transportation systems, and related statutory entities made a part of such department [hereafter called "port and maritime functions"].

The office shall be a separate and independent agency within the department for budgetary and fiscal purposes. The office shall operate under the supervision and control of the commissioner, who shall be responsible for the performance and administration of all powers, duties, functions, and activities of the office and for all reporting required by law. The commissioner shall have sole authority to execute contracts on behalf of the office and shall be the agent for service of process for all matters relating to the office, its duties, functions, and activities. The commissioner shall not report to the secretary. Neither the secretary, deputy secretary, undersecretary, nor department employees, other than direct employees of the office, shall have any authority or responsibility to perform, implement, administer, or report upon the duties, functions, or activities of the office. Neither the secretary, deputy secretary, undersecretary, nor department employees, other than direct employees of the office, shall have any liability for the performance or nonperformance of such duties, functions, or activities of the office. However, the department and the office may enter into interagency agreements that permit the undersecretary to perform certain services on behalf of the office.

However, in order to avoid duplication and extra expense to government, and in order to efficiently use existing expertise: (1) Employees, equipment, and facilities of DOTD which are concerned with engineering and construction of projects, permitting, or the funding necessary for costs related to such employees, equipment, and facilities, as determined by the Port and Maritime Commerce Transition Commission and its approved plan (see below) are not transferred, but the commission's approved transition plan must require DOTD to provide the services and expertise of such employees, equipment, and facilities upon the request of the Office of Ports and Maritime Commerce at no additional cost to such office. (2) The initial level of funding for the employees, equipment, facilities, and funding transferred, and for the administration thereof, must not exceed an amount equal to the percentage that such funding bears to the total funding of DOTD in the fiscal year prior to the transfer. Proposed law requires the "port and maritime functions" and employees, equipment, facilities, and funding to be allocated among the following divisions that must be provided for by law in the office: (1) Ports and Harbors. (2) Maritime Industry and Waterways. Proposed law establishes The Ports and Maritime Commerce Transition Commission within the office of the governor and describes the commission's membership. Proposed law requires the transition plan to be presented to the Senate Committee on Commerce, Consumer Protection, and International Affairs and the House Committee on Commerce for their review, amendment, and approval no later than February 1, 2015. Effective upon governor's signature.

<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}		