

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 497** HLS 19RS 257
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 3, 2019	1:46 PM	Author: ABRAMSON
Dept./Agy.: Capital Outlay		Analyst: Ryan Guidry
Subject: Disposal or sale of projects funded through capital outlay		

CAPITAL OUTLAY OR SEE FISC NOTE GF RV Page 1 of 1
 Prohibits the disposal or sale of projects funded through the capital outlay budget under certain circumstances

Proposed law prohibits the sale or disposal of projects funded through the sale of general obligation bonds while the repayment of the bonds is outstanding without prior approval from the commissioner of administration and the approval, by majority vote, of the House Ways and Means Committee and the Senate Revenue and Fiscal Affairs Committee. In cases where approval is granted, the owner for the project must 1) repay the total amount of funding the project received including interest and 2) pay a penalty equal to a minimum of 50% of the increase in the value of the property as a result of the state's expenditure of funds.

Proposed law will apply to all projects funded in FY 20 capital outlay budget and thereafter.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW					
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

There may be an indeterminable increase in revenues (presumed to be SGF) to the extent a project owner receives approval to sell a project funded through bond proceeds. However, the Office of Facility Planning and Control (OFPC) reports only two (2) instances of the sale or disposal of such a project; therefore, a significant revenue increase is unlikely.

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}

Evan Brasseaux

Evan Brasseaux
Staff Director