

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 273** HLS 22RS 429

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 1, 2022 9:45 AM	Author: MCCORMICK
Dept./Agy.: Office of Financial Institutions	Analyst: Monique Appeaning
Subject: Prohibited Discrimination Based On Fossil Fuel	

FINANCIAL INSTITUTIONS

OR +\$28,297 SG EX See Note

Page 1 of 1

Provides relative to financial institutions

Proposed law provides that a bank, credit union, financial institution, payment processor, savings and loan association, or trust company shall not refuse to provide financial services of any kind to, refrain from continuing to provide existing financial services to terminate existing financial services with, or otherwise discriminate in the provision of financial services to a person, natural or juridical, based solely on the person's lawful engagement in the fossil fuel industry. Proposed law defines "law engagement" as a person who complies with all applicable industry rules, regulations, and standards as required by the laws of the state and the United States.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$28,297	\$29,055	\$29,576	\$32,003	\$32,583	\$151,514
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	\$28,297	\$29,055	\$29,576	\$32,003	\$32,583	\$151,514

REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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

Proposed law will result in an SGR expenditure increase for the Office of Financial Institutions (OFI) because it creates a workload increase for the agency by adding to its examination of entities awarded licenses and/or charters, an additional component in the review for compliance. OFI reports that this review will occupy approximately one quarter (0.25) FTE for depository examinations. The attention required for different examinations will vary depending on the operations of the financial institutions and the volume of closures and denials covered under the proposed law.

The cost for one quarter (0.25) FTE is \$28,297 in FY 23, \$29,055 in FY 24, \$29,576 in FY 25, \$32,003 in FY 26, and \$32,583 in FY 27. The position is an Examiner III and the 0.25 for FTE funding for the salary and related benefits is below:

Fiscal Year	Salary	Related Benefits
FY 23	\$18,003	\$10,294
FY 24	\$18,543	\$10,662
FY 25	\$18,914	\$10,662
FY 26	\$20,642	\$11,361
FY 27	\$21,056	\$11,527

These expenditure projections include estimated salary, related benefits, and the expected market adjustment.

REVENUE EXPLANATION

Proposed law will result in an SGR revenue increase for OFI to the extent that the additional costs of implementing the proposed law result in increased assessments billed to banks, thrifts, and credit unions in the amounts reflected in the expenditure table.

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
Interim Deputy Fiscal Officer