

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 836** HLS 24RS 1841

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action: **w/ SEN COMM AMD**

Proposed Amd.:

Sub. Bill For.:

Date: May 17, 2024	4:12 PM	Author: MCFARLAND
Dept./Agy.: State Bond Commission		Analyst: Tanesha Morgan
Subject: Non-debt-forming concession and other obligations		

LOCAL FINANCE

RE1 +\$129,000 GF EX See Note

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Provides that certain non-debt-forming concession agreements and other obligations are not deemed as debt requiring approval of the State Bond Commission

Proposed law provides that a public entity may enter into a concession agreement, cooperative endeavor agreement, or any other agreement with a private entity for infrastructure services based on a usage or monthly payment term, provided certain conditions are met. Proposed law provides specific requirements for the agreement terms, such as including a non-appropriation clause, not having anti-substitution or penalty clauses, not requiring the public entity to pledge revenues or levy taxes/fees, limiting liability, and requiring public bid law compliance for contracted work. Execution requires approval by the public entity's governing authority after receiving the auditor and Attorney General certifications, referring long-term liability agreements to the State Bond Commission, finding a public need, and adopting a resolution. If the agreement involves defeasance of certain prior debts, it also requires State Bond Commission approval.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$129,000	\$129,000	\$129,000	\$129,000	\$129,000	\$645,000
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	\$129,000	\$129,000	\$129,000	\$129,000	\$129,000	\$645,000
REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

The proposed law is anticipated to increase SGF expenditures by approximately \$129,000 (\$85,000 salaries and \$44,000 related benefits) within the Office of the Attorney General associated with hiring an attorney to review certain types of agreements entered into by political subdivisions and certify that the terms of the agreement conform with the terms required by proposed law and that the substance of the agreement does not constitute a long-term liability or incur debt between the public and a private entity.

REVENUE EXPLANATION

The revenue impact on the Office of State Bond Commission, which relies solely on application and closing fees, is indeterminable. While the proposed legislation may reduce the number of applications requiring approval; thereby decreasing revenue from fees, the extent of this reduction is unknown.

Senate

Dual Referral Rules

House

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

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

Patrice Thomas
Deputy Fiscal Officer