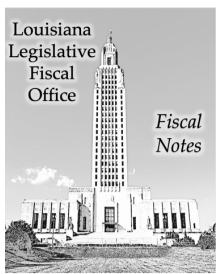


LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 317** HLS 25RS 39

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 24, 2025	10:14 AM	Author: ECHOLS
Dept./Agy.: Attorney General, District Attorney, and Judiciary		Analyst: Daniel Druilhet
Subject: Prohibited Acts - Healthcare Facility Lessors and Lessees		

HEALTH CARE/FACILITIES

EG SEE FISC NOTE SG RV

Page 1 of 1

Establishes prohibited acts by certain healthcare facility lessors and lessees

Proposed law provides that a court may disregard the separate legal entity and hold executive officers and board members personally liable if a lessee facility experiences financial distress as a result of an egregious act that causes or significantly contributes to the financial distress of a lessee facility; provides obligations placed upon lessee facilities experiencing financial distress; provides information regarding the extent to which liability is assumed by board members and executive officers for financial distress of lessor entities caused by lease terms, over-leveraging, or financial extractions by the lessor entities; provides for prohibitions against using funds obtained from Title XIX of the Social Security Act or state-funded emergency grants to fulfill lease payments; provides the Attorney General (AG) the authority to investigate lessee facilities and, along with the district attorney (DA) for the parish in which the facility is domiciled, the authority to bring a civil action against a lessor entity or individual; provides for proper venue for civil actions against lessee facilities and individuals; provides for the court's ability to enter a restraining order upon application by the AG or DA to preserve the availability of personal assets of executive officers and board members of a lessor entity; provides for the procedure regarding liability determinations for executive officers and board members; provides for damages and other civil penalties to be collected by AG from determination of liability.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	

Annual Total

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	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

Proposed law may result in an indeterminable increase in workload to the Office of the Attorney General, local district attorneys, and district courts, to the extent that additional civil lawsuits are filed and hearings are conducted on liability and assessment of damages relative to lessor facilities and individuals for behavior that causes or significantly contributes to the financial distress of a lessee facility. Any fiscal impact relative to the proposed law is indeterminable and projected to be absorbed within the budgets for the Attorney General and district courts.

District Attorneys

Proposed law may result in an indeterminable increase in workload in local district attorneys' offices, to the extent that additional hearings are held on liability relative to civil actions against lessor facilities and individuals for behavior that causes or significantly contributes to the financial distress of a lessee facility. The exact fiscal impact to local district attorneys is indeterminable, because it is unknown the number of instances in which district attorneys' authority to investigate and file civil litigation under the proposed law will be invoked in the future. To the extent that local district attorneys' workload increases significantly due to the enactment of the proposed law, local offices may seek to secure additional personnel.

Note: Local district attorneys project that implementing the proposed law will require securing additional staff, as it is hard to predict the number of instances in which litigation under the proposed law will occur. While the proposed law may result in an increase of workload in local district attorneys' offices, the LFO cannot corroborate that the increased workload will necessitate an increase in staff.

REVENUE EXPLANATION

Proposed law may result in an indeterminable increase in Self-Generated Revenue in the Office of the Attorney General, to the extent that the AG collects funds associated with awards for damages or other civil penalties assessed against individuals or lessor entities that cause or significantly contribute to the financial distress of a lessee facility. The exact impact to Self-Generated Revenue is indeterminable, as it is unknown the number of instances in which the AG will successfully secure awards for damages or other civil penalties related to litigation under the proposed law.

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