



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 81** SLS 11RS 272
Bill Text Version: **ENROLLED**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: June 23, 2011 2:22 PM	Author: MILLS
Dept./Agy.: Agriculture & Forestry	
Subject: Buy Local Purchase Incentive Program - ag products	Analyst: Alan M. Boxberger

ECONOMIC DEVELOPMENTEN SEE FISC NOTE SD EX See NotePage 1 of 1

Creates the Louisiana Buy Local Purchase Incentive Program to promote the consumption of Louisiana agricultural products by granting incentive payments to certain restaurant establishments for purchases of Louisiana agricultural products. (gov Proposed legislation creates the Louisiana Buy Local Produce Purchase Incentive Program within the Department of Agriculture and Forestry and administered by the Louisiana Agricultural Finance Authority (LAFA), to promote the consumption of Louisiana agricultural products by providing incentive payments to certain Louisiana restaurants for the purchase of Louisiana agricultural products. Creates a fund in the state treasury, the Louisiana Buy Local Purchase Incentive Program Fund, to grant eligible restaurants incentive payments for purchases of Louisiana agricultural products. Requires LAFA, along with the commissioner of the Department of Agriculture, to promulgate rules and regulations necessary to implement the program. Requires that if the fund balance in any given fiscal year be insufficient to fully satisfy all timely applications for incentive payments, then the payments shall be distributed on a pro-rata basis based upon the proportion of agricultural products purchased by the applicant to the total amount of such purchases by all applicants. The program and fund will terminate on December 31, 2014, and unexpended monies shall revert to the general fund.

EXPENDITURES	2011-12	2012-13	2013-14	2014-15	2015-16	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$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

REVENUES	2011-12	2012-13	2013-14	2014-15	2015-16	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	SEE BELOW	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$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

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The proposed legislation creates the Louisiana Buy Local Purchase Incentive Program Fund. To the extent that funds are made available, this proposed legislation will increase expenditures out of the fund. The increase in expenditures associated with this legislation will be dependent upon the amount deposited into the fund. The legislation as drafted specifies that the monies in the fund shall be used to grant incentive payments to eligible restaurant establishments for the purchase of Louisiana agricultural products, equal to four percent of the total costs of such products purchased by the establishment during a fiscal year.

The proposed legislation allows the department to utilize up to 5% for operating and administrative costs of the program. Until the size and scope of the program is identified, dependent largely upon the amount of funds available for deposit into the fund and participation by eligible restaurant establishments, the department is unable to provide an estimate of total administrative costs associated with administering the program. The department believes anticipated costs may include personal services (use of existing personnel, additional part-time personnel and/or temporary job appointments, supplies and possibly professional services).

Grant payments from the fund would be made from the other charges expenditure category and distributed either fully to satisfy all timely applicants (four percent of eligible purchase costs), or on a pro-rata basis based upon the proportion of agricultural products purchased by each applicant to the total amount of such purchases by all applicants.

Creating a new statutory dedication within the state treasury will result in marginal additional workload for the agency, which can generally be absorbed with existing resources.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. The bill creates the Louisiana Buy Local Purchase Incentive Program Fund, but does not provide for a recurring funding mechanism. The legislation provides for deposits of grants, gifts, donations, other revenue sources as provided by law to the fund, or as may be appropriated to the fund by legislative instrument but bars State General Fund. Any unexpended or unencumbered funds at the end of the program shall revert to the State General Fund.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}	<div>Evan BrasseauxStaff Director</div>
		<input type="checkbox"/> 6.8(F)2 >= \$100,000 Annual SGF Cost {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}	