



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: SB 26 SLS 161ES 94

Bill Text Version: ORIGINAL

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date:	March 3, 2016	9:11 AM	Author:	APPEL
Dept./Agy.:	Statewide		Analyst:	Alan M. Boxberger
Subject:	Provides for abolition of certain statutory dedications			

FUNDS/FUNDING

OR INCREASE GF RV See Note

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Provides for the abolition of certain statutory dedications. (Item #7) (gov sig)

Proposed law expresses legislative intent to abolish the proliferation of special treasury funds; abolishes all special funds and any laws which dedicate or provide for the use of monies; authorizes the treasurer to transfer balances and new revenues of abolished funds into the SGF after compliance with requirements of the constitution relative to the Bond Security and Redemption Fund; provides for exceptions to proposed law (see SUMMARY EXPLANATION on page 2); provides for a reporting requirement by the state treasurer no later than February 1 of each fiscal year, repeals provisions of present law which abolished certain special treasury funds as provided in R.S. 49:308.3, repeals several exclusions in present law relative to abolition of laws dedicating money or special funds, and requests that the Louisiana State Law Institute review all statutes relative to special treasury funds and dedicated funds abolished by present law and to change any references it deems appropriate in other locations of the La Revised Statutes of 1950. Proposed law is effective upon governor's signature or lapse of time for gubernatorial action.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

While proposed law eliminates an unknown number of statutorily dedicated funds, it does not eliminate the existing expenditures currently supported by these dedications. To the extent that the legislature continues to fund these programs in subsequent fiscal years, the funding source must be replaced by SGF or another revenue source to supplant the loss of the eliminated statutorily dedicated funds. The activities and services supported by these statutory dedications will then compete for annual SGF resources along with other significant SGF supported services. The activities and services currently supported by statutory dedications, if supplanted with SGF support in future fiscal years, would lose the 5% reduction limitation currently provided by the constitution and Title 39.

REVENUE EXPLANATION

Proposed law would result in the supplanting of significant deposits from an unknown number of special and statutorily dedicated funds into the SGF. Due to the elimination of an unknown number of statutorily dedicated funds and the requirement that existing fund balances be transferred into the SGF, the SGF will receive a significant transfer of remaining statutory dedicated fund balances of an indeterminable amount in FY 16 upon enactment of proposed law. Additionally, supplanting future revenue deposits from statutory dedications into the SGF would commence upon enactment of proposed law and continue into FY 17 and thereafter.

For Illustrative Purposes:

The State Treasury submits a report to the Joint Legislative Committee on the Budget (JLCB) no later than February 1 of each fiscal year including a schedule of funds authorized through the most recent regular session of the legislature. According to the report submitted by the State Treasury on February 29, 2016, there are presently 381 special funds created by the Constitution or by statute that are being administered by the Treasury. The total cash balance in these funds at the end of state FY 15 was approximately \$6.01 B. A significant amount of these monies are associated with funds exempted by proposed law, but substantial additional analysis will be required by a number of different agencies to identify the complete universe of funds and fund balances covered by the enumerated exemptions.

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

John D. Carpenter

Legislative Fiscal Officer



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CONTINUED EXPLANATION from page one:

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SUMMARY EXPLANATION CONTINUED FROM PAGE 1

Proposed law abolishes all statutory and special funds in the Treasury except:


- 1) Those established or protected by the Constitution.
- 2) Those established for the following reasons:
 - a) Grants, donations or other forms of assistance, b) court or regulatory agency orders or judgments, c) contracts of the state or its agencies, boards, or commissions, including contracts related to the issuance of bonds, notes, and other indebtedness, d) contracts concerning satisfaction of final judgments, settlements, or compromises
- 3) Those funded by assessments or surcharges for the satisfaction of final judgments, settlements, orders, awards or compromises.
- 4) Special funds and dedications of money provided by law related to the judiciary
- 5) Any funds, including interest earned thereon, which are paid or deposited on a voluntary basis by persons or other private legal entities for their protection or benefit.
- 6) That portion of any fund or dedication of funds allocated or distributed to a local governmental or nongovernmental entity that authorizes the issuance of bonds, notes or other indebtedness, to such extent that such monies are already pledged as of the effective date of this Act.

REVENUE EXPLANATION CONTINUED FROM PAGE 1

According to the latest estimate adopted by the Revenue Estimating Conference on February 10, 2016, there are approximately 380 special and statutorily dedicated funds projected for FY 17. Revenues generated by these funds are projected to total approximately \$3.47 B in FY 17. A significant amount of these monies are associated with funds exempted by proposed law. Additional analysis by a number of different agencies will be required to identify the potential volume of funds and monies that would be diverted into the SGF.

SenateDual Referral RulesHouse

- ☐ 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}


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