

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 148** SLS 17RS 30
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ HSE FLOOR AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: June 5, 2017 4:47 PM	Author: CHABERT
Dept./Agy.: Transportation and Development	Analyst: Alan M. Boxberger
Subject: Waterway Dredging and Deepening Priority Program	

PORTS/HARBORS/TERMINALS REF SEE FISC NOTE SD EX See Note Page 1 of 1
 Creates the Waterway Dredging and Deepening Priority Program. (7/1/17)

Proposed law creates the Waterway Dredging and Deepening Priority Program; provides for definitions; details requirements for funding applications to be submitted to DOTD; provides for rulemaking; provides for development of the Program and a priority list; requires maintenance of an inventory of waterways, public and private; requires for reporting and public hearings; provides for preparation of a construction program; provides for reprioritization of projects and substitutions based on funding and unforeseeable project delays; provides prioritization protections for approved projects that are delayed; provides for legislative approval of the program; provides for supplemental project lists; creates the Dredging and Deepening Fund within the state treasury; provides for authorized deposits into the Fund; provides for requirements for the preparation of plans and specifications, letting of bids, and supervision of construction; requires biennial audits; and provides for requirements and procedures pertaining to the misuse of funds. Effective July 1, 2017.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	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	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

Proposed law may increase state expenditures to the degree that the legislature appropriates monies into the newly created Dredging and Deepening Fund or identifies a recurring revenue source. DOTD reports that full implementation of a Waterway Dredging and Deepening Priority Program (Program) that receives regular annual appropriations would require an operating budget increase of two T.O. positions (Engineer at \$80,400 and DOTD Program Manager at \$53,600 total personal services costs respectively) as well as associated operating expenses. To the degree that the program does not receive significant, recurring appropriations, the need for additional staff may be partially or wholly mitigated. The Program itself would require an increase in capital outlay appropriations in House Bill 2. For illustrative purposes, DOTD reports that the state's share of construction costs for five existing, identified deepening projects is approximately \$146 M (Mississippi River, Acadiana to Gulf of Mexico Access Channel, Houma Navigational Canal, Baptiste Collette and Red River).

There is no anticipated direct material effect on governmental expenditures as a result of this measure for the Louisiana Legislative Auditor (LLA). LLA reports it can absorb the proposed necessary oversight functions with existing resources.

The Louisiana Department of Treasury will incur SGF costs related to the creation of a new statutory dedication, including fund accounting, financial reporting, banking and custodial functions. These costs are typically small for individual statutory dedications (likely to be several thousands of dollars) and are typically absorbed within existing resources until cumulative additional dedications necessitate that increased resources be provided. At the point additional resources are necessary, the Treasury reports it will require one additional T.O. position with total personal services costs of approximately \$71,000 as well as one-time costs associated with acquisition of office equipment at approximately \$2,450. With regard to the Dredging and Deepening Fund, the Treasury may be called on by the Legislative Audit Advisory Council (LAAC) to withhold funds to recipient governmental entities that misuse funds as delineated in proposed law.

The Louisiana District Attorneys Association reports that it cannot accurately project any potential SGF or Local Funds impacts that may arise due to the provisions of proposed law. To the extent that local governmental entities may misuse funds in the Program, the local District Attorney may realize a significant increase in expenditures, particularly if expert witnesses are required. The need for such services, however, is indeterminable and dependent upon the frequency of misuse of funds findings.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. In cases where a misuse of funds by a recipient governmental entity are determined by the LAAC, the treasurer shall be directed to withhold funds to the D.A. of the parish or parishes in question. To release funds, the D.A. shall have 30 days to advise the LAAC on actions taken or proposed in connection with the misuse of funds. The LFO assumes these occurrences would be rare and resolved quickly. Proposed law provides that sources of monies in the Dredging and Deepening Fund shall be legislative appropriation and grants, gifts and donations received by the state.

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
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Staff Director