

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 421** HLS 26RS 638
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 30, 2026 3:01 PM	Author: COX
Dept./Agy.: Louisiana Works/Civil Service/Local Municipalities	
Subject: Requirements for Employers with ADS on Employee	Analyst: Darynn Hoppe

LABOR OR INCREASE GF EX See Note Page 1 of 2
 Provides relative to the use of automated decision systems with respect to employment decisions

Proposed law requires an employer to provide written notice that an automated decision system (ADS), for the purpose of making employment-related decisions, not including hiring, is in use at the workplace to a worker who will foreseeably be directly affected by the ADS, or his authorized representative during certain time periods. Proposed law requires an employer to maintain an updated list of all ADS currently in use, and the written notice must follow certain requirements. Proposed law requires an employer who uses an ADS to make hiring decisions shall notify the job applicant with certain information upon receiving the application that the employer utilizes an ADS for hiring decisions. Proposed law prohibits employers from using or solely relying on ADS to perform certain tasks. An employer who violates proposed law shall be subject to a civil penalty of \$500, and Louisiana Works must enforce proposed law, including investigating an alleged violation, issuing a citation against an employer, and ordering appropriate temporary relief to mitigate a violation or maintain the status quo pending the completion of a full investigation or hearing.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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 is anticipated to increase SGF expenditures. Proposed law would require employers to notify workers when an automated decision system is used, explain the criteria considered, allow workers access to review and correct data, and provide an appeal process with a human review. Proposed law additionally prohibits practices such as inferring protected traits, retaliation, or being the sole decider of discipline and termination.

LA Works is responsible for the enforcement of this bill. LA Works reports that they are not currently equipped with the appropriate staff needed to evaluate whether decisions made are accurate, fair, or legally compliant. The table below contains a breakdown of the estimated expenditures required by LA Works. A full breakdown by category can be found on page two below.

LA Works

Expenditure Category	FY 27	FY 28	FY 29	FY 30	FY 31
Personal Services	\$ 2,154,887	\$ 2,197,985	\$ 2,224,194	\$ 2,286,783	\$ 2,332,519
Operating Expenses	\$ 109,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000
Equipment	\$ 300,000	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenses	\$2,563,887	\$ 2,267,986	\$ 2,311,946	\$ 2,356,786	\$2,402,523

NOTE: The LFO cannot corroborate that the provisions of proposed law would require the resources identified by LA Works, but acknowledges that a workload increase will be necessitated for implementation. To the extent that the workload may be greater or less than the estimate provided by LA Works, costs may be higher or lower than the estimate provided.

EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

Proposed law is anticipated to increase SGR revenues by an indeterminable amount. This bill allows for LA Works to assess civil penalties of \$500 against employers who violate its provisions. Due to the novel enforcement area and lack of preexisting historical data, the revenue impact is indeterminable.

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}

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Legislative Fiscal Officer



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CONTINUED EXPLANATION from page one:

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EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

LA Works believes that, in order to implement the provisions of this bill, they would require 16 additional full time classified positions, including attorneys, compliance investigators, and technical auditors. Below is a breakdown of the estimated Personal Services requested by LA Works.

Positions (includes salaries and related benefits)

	FY 27	FY 28	FY 29	FY 30	FY 31
Compliance Investigator ADS / AI (10)					
Salary + Related Benefits	\$ 1,243,151	\$ 1,268,014	\$ 1,293,374	\$ 1,319,242	\$ 1,345,627
Compliance Investigator Supervisor					
Salary + Related Benefits	\$ 135,740	\$ 138,454	\$ 141,223	\$ 144,048	\$ 146,929
Attorney 3 (2)					
Salary + Related Benefits	\$ 360,219	\$ 267,423	\$ 374,772	\$ 382,267	\$ 389,912
Auditor - Information Systems 3 (2)					
Salary + Related Benefits	\$ 298,777	\$ 304,753	\$ 310,848	\$ 317,065	\$ 323,406
Administrative Program Specialist C (1)					
Salary + Related Benefits	<u>\$ 117,000</u>	<u>\$ 119,340</u>	<u>\$ 121,727</u>	<u>\$ 124,162</u>	<u>\$ 126,645</u>
TOTAL	<u>\$2,154,887</u>	<u>\$2,197,985</u>	<u>\$2,241,944</u>	<u>\$2,286,783</u>	<u>\$2,332,519</u>

In addition to personal costs, LA Works reports that it will accrue additional expenditures relating to operating costs and equipment. The table below shows a breakdown of these costs.

	FY 27	FY 28	FY 29	FY 30	FY 31
Equipment and Operating Costs					
Laptops (16 x \$2,000)	\$ 32,000	\$ 0	\$ 0	\$ 0	\$ 0
Field Vehicles (10 x \$30,000)	\$ 300,000	\$ 0	\$ 0	\$ 0	\$ 0
Travel & Supplies	\$ 17,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Software	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000
Communication / Educational Materials	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>
Total	<u>\$ 409,000</u>	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 70,000</u>

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