



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 500** HLS 18RS 223
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 24, 2018 8:37 AM	Author: ABRAMSON, ETC.
Dept./Agy.: Legislature	Analyst: Willie Marie Scott
Subject: Limited Constitutional Convention	

CONSTITUTIONAL/CONVENTION RE INCREASE GF EX See Note Page 1 of 2
 Provides for calling a limited constitutional convention and preparations therefor.

The proposed legislation provides for the calling of a constitutional convention to convene on 1/6/2020 for the purpose of framing a new constitution. It further provides for the election of 3 delegates from each of the Senate districts for a total of 117 convention delegates. The legislation requires an election for the 117 delegates on 10/12/2019 (primary) and 11/16/2019 (general), and another election for the proposed draft of the constitutional revisions at the congressional primary and presidential election on 11/3/2020. The convention, subject to the rules of procedure, may request the assistance of 27 advisory members to the convention. The Executive Committee may request the provisions of professional, research, technical and clerical employees; and the staff of the constitutional convention may include a director of research, research assistants, personnel from LSU, SU, Tulane and Loyola law schools, and other staff deemed necessary. Expenses of the constitutional convention shall be paid from an appropriation made by the legislature; however no delegate may accept any compensation from any source for work performed as a delegate of the convention.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	INCREASE	INCREASE	\$0	\$0	\$0
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0			\$0	\$0	\$0

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	SEE BELOW	SEE BELOW	\$0	\$0	\$0
Agy. Self-Gen.	\$0	SEE BELOW	SEE BELOW	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0			\$0	\$0	\$0

EXPENDITURE EXPLANATION

The proposed legislation will result in an indeterminable increase in SGF expenditures. The cost relative to expenses of a constitutional convention cannot be accurately estimated due to the variables that make up the costs of such an initiative.

The Executive Committee shall prepare a budget of anticipated expenses of the convention, based on the amount of the appropriation for the convention and any other funds available for expenditures. The total cost for the convention would depend upon the amount of funds appropriated and the number of meeting days held. The legislation allows the Executive Committee to create or establish substantive and procedural committees. Expenditures relative to additional committees or task forces, if approved by the presiding officers of the 2 houses of the Legislature are indeterminable. There will also be indeterminable costs for supplies, materials, equipment, printing and reproduction of materials, security, compensation for the staff of the constitutional convention, and all other necessary expenses incurred in connection with the convention and its work. Additional indeterminable costs may be incurred to the extent that staff from other agencies and delegates request travel allowance (mileage only) and overtime pay for legislative staffers during the constitutional convention. According to Senate Accounting, the cost of one round trip mileage reimbursement for 39 members at 54.5 cents per mile is \$4,449.94 which is paid every 2 weeks during legislative sessions. Based on this projection and the assumptions that the 117 delegates will be authorized to claim travel reimbursement and the convention will last the duration of 5 months, the maximum potential cost for mileage is approximately \$133,497.90 (\$4,449.93 X 3 delegates x 10 payments).

Note: The total budget for the 1974 constitutional convention was approximately \$2.9 M of which \$1 M was delegate per diem costs, \$850,000 was budgeted for salary expenses of convention staff; and \$1 M for other expenses associated with the constitutional convention. The total budget for the 1992 mini constitutional convention was estimated at approximately \$1.5 M (excludes \$295,526 projected overtime and per diem for legislative staff).

The Department of State budgets for up to 10 constitutional amendments for the fall statewide elections as regular practice and any cost associated with any proposed constitutional amendments will be absorbed within the agency's budget. Since statewide elections are scheduled for 2019 and 2020, no fiscal impact on election expenses will be realized.

The Ethics Administration indicated there could be additional postage costs associated with mailing notice of delinquency letters if delegates fail to file or fail to file timely. Any increase in postage costs will likely be absorbed by the agency. **(Continue on Page 2)**

REVENUE EXPLANATION

The proposed legislation grants the constitutional convention the authority to accept grants, donations or gifts of money and services from public and private sources to defray the expenses of the committee and constitutional convention. The amount that may be received from non-governmental entities, if any, cannot be estimated. Automatic late filing fees are assessed for every day the required campaign finance reports are late. The fees are \$60 per day for district office candidates, and additional civil penalties may be imposed for reports more than 10 days late. The increase in revenue is indeterminable since it will depend on the number of candidates **(Cont. on Page 2)**

<p><u>Senate</u></p> <p><input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}</p> <p><input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}</p>	<p><u>House</u></p> <p><input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}</p> <p><input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p>
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Evan Brasseaux
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 Staff Director

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CONTINUED EXPLANATION from page one:

The convention may utilize the personnel and services of the Legislative Auditor (LA), Legislative Fiscal Office (LFO), and staffs of the House of Representatives and the Senate. The constitutional convention may accept grants, donations or gifts of money and services from public and private sources to defray the expenses of the convention.

EXPENDITURE EXPLANATION

The LFO and staffs of the House of Representatives, Senate, and agencies will likely absorb any additional duties with existing staff and resources. However, if the constitutional convention concurs with the regular legislative session in 2020 (85 days), the need for additional staff may be required in addition to locating a suitable facility to hold the convention.

The LLA has indicated that if the workload is not of a minimal nature, the cost will be \$11,000 for every 100 hours committed to the Evaluation & Drafting Committee. The cost of providing an audit of the financial books and records of the constitution convention by a CPA firm is estimated to be \$30,000.

REVENUE EXPENDITURE

since it will depend on the number of candidates that may fail to file or file late and the number of days reports are filed late. All fees assessed are deposited into the SGF.

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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