

**LEGISLATIVE FISCAL OFFICE
Fiscal Note**



Fiscal Note On: **HB 497** HLS 19RS 257
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: June 10, 2019 8:43 AM	Author: ABRAMSON
Dept./Agy.: Capital Outlay	Analyst: Ryan Guidry
Subject: Disposal or sale of projects funded through capital outlay	

CAPITAL OUTLAY EN SEE FISC NOTE GF RV See Note Page 1 of 1
 Prohibits the disposal or sale of projects funded through the capital outlay budget under certain circumstances

Proposed law prohibits the sale or disposal of projects funded through the sale of general obligation bonds while the repayment of the bonds is outstanding without 1) an opinion from the current bond counsel to the state that the sale will not affect the tax exempt status of bonds, 2) the approval of the commissioner of administration, 3) the approval, by majority vote, of the House Ways and Means Committee and the Senate Revenue and Fiscal Affairs Committee, and 4) meeting all conditions required for the disposal of the project.

Proposed law will apply to all projects funded in FY 20 capital outlay budget and thereafter.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$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>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	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	\$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>	\$0
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

There may be an indeterminable increase in revenues (presumed to be SGF) to the extent a monetary payment to the state is required before an approved sale of a project. However, the Office of Facility Planning and Control (OFPC) reports only two (2) instances of the sale or disposal of such a project; therefore, a significant revenue increase is unlikely.

Note: The original version of proposed law required repayment of the bond proceeds and payment of a penalty. House committee amendments removed this requirement, but allows for certain requirements and conditions to be imposed prior to an approved sale. The specific conditions or requirements, if any, that may be imposed on an approved sale are unknown, but to the extent that an approved sale is conditioned on or requires monetary payment to the state, revenues (presumed SGF) would increase.

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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