

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 24** SLS 202ES 46  
 Bill Text Version: **ENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

**Date:** October 12, 2020 9:04 AM **Author:** TALBOT  
**Dept./Agy.:** Revenue/Alcohol & Tobacco Control and Health/Public Health **Analyst:** Patrice Thomas  
**Subject:** Waived and Refunded Fees Due to COVID-19

FEES/LICENSES/PERMITS EG -\$2,764,970 SG RV See Note Page 1 of 1  
 Provides an exemption to certain fees collected by the Louisiana Department of Health and the Office of Alcohol and Tobacco Control. (gov siq) (Item #32)  
 Under current law, the Office of Public Health (OPH) within the Department of Health (LDH) is authorized to charge an annual permit fee to several types of food establishments and specialty operations. Proposed law provides that any applicant with a permit that was effective on March 17, 2020, shall be eligible for either of the following regarding the COVID-19 public health emergency: (1) exempt for payment of next regularly scheduled permit renewal fee if applicant temporarily closed operations; or (2) refunded permit fee if applicant permanently closed operations.

<b>EXPENDITURES</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	INCREASE	SEE BELOW	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	DECREASE	DECREASE	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

Proposed law creates an increased expenditure exposure as a result of refunding permit fees in FY 21 and eliminates self-generated revenues as a result of waiving permit fees in FY 21 and FY 22. OPH utilizes self-generated revenues to support its regulation of food establishments. OPH reports a loss of \$2.7 M will result in a 24% reduction in staff, which represents a decrease of 33 positions of its current 155 positions in the Sanitation Services program. If OPH is to maintain its current functions and services, an alternative source of revenue would have to be utilized. State General Fund revenue would be the most likely alternative revenue sought for replacement.

**REVENUE EXPLANATION**

Proposed law will decrease SGR revenue collections in OPH by \$2,764,970 over FY 21 and FY 22. The impact within each fiscal year is not known as it will depend on when renewal fees are due for each individual applicant. Proposed law requires OPH to waive permit renewal fees if the applicant's business establishment temporarily closed operations as a result of the COVID-19 public health emergency, or refund permit fees if applicant's business establishment permanently closed as a result of the COVID-19 public health emergency.

Currently, OPH reports 15,000 active restaurant permits and 5,190 active bar permits. The average cost of retail food permits issued to restaurants and bars is \$130. OPH reports that 1,079 facilities have closed since March 17, 2020. Accounting for restaurants and bars that closed that will be issued refunds under this measure and waiving permit renewal fees of reopened restaurants and bars would decrease revenue collections in OPH by \$2,764,970. (See Table below)

Projected Reduction Annual SGR Revenues

	# of Establishments	Permit Fee	Total
Restaurant Establishments	15,000	\$130	(\$1,950,000)
Bar Establishments	5,190	\$130	(\$674,700)
Closed Restaurants/Bars	<u>1,079</u>	<u>\$130</u>	<u>(\$140,270)</u>
<b>TOTAL</b>	<b>21,269</b>	<b>\$130</b>	<b>(\$2,764,970)</b>

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}

**Christopher A. Keaton**  
**Legislative Fiscal Officer**