

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 73** SLS 202ES 221
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action: **W/ SEN FLOOR AMD**
 Proposed Amd.:
 Sub. Bill For.: **REVISED**

Date: October 22, 2020 8:57 AM **Author:** BARROW
Dept./Agy.: Treasury **Analyst:** Alan M. Boxberger
Subject: Provides dedicated funding and requirements for Main St

FUNDS/FUNDING EGF SEE FISC NOTE SD EX See Note Page 1 of 1

Provides funding and requirements for eligible rental businesses from the La. Main Street Recovery Program. (gov sig)
 (Items #16, #17, #18, #19, and #20)

Present law establishes the Main Street Program and the La. Main Street Recovery Fund to award grants to eligible businesses impacted by COVID-19 and defines eligible businesses. Proposed law adds eligible rental businesses to the list of entities that may apply for award grants (of up to \$15,000) to offset eligible expenses; provides for definitions and eligibility; provides that grants for lost rental income shall not be an eligible expense unless and until federal legislation or the U.S. Treasury provides guidance or regulation authorizing disaster funds to replace lost rental income; requires that any rental business that accepts such a grant shall consider any rental payments due under a rental agreement as having been paid in full through November 30, 2020 and shall notify the tenant; provides for administration of the program by the treasurer; provides that its provisions will only apply to any monies in the Main Street Recovery Fund which are unobligated as of the effective date or any additional federal funds received and designated to provide economic support for eligible businesses for losses incurred as a result of COVID-19; and provides funds remaining after distribution be allocated by JLCB.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	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>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law provides that grants from the Louisiana Main Street Recovery Fund shall be made available to eligible rental businesses in accordance with certain requirements and in accordance with most requirements specified in Act 311 of the 2020 Regular Session. Monies in the fund currently provide for grants in amounts not to exceed \$15,000 to eligible businesses for eligible expenses incurred due to COVID-19. Proposed law adds decreased rental payments to eligible rental businesses because of increased unemployment and loss of wages to the list of expenses eligible for reimbursement through the grant program, but provides that such expenses related to lost rental income shall not be eligible unless and until federal legislation or the U.S. Treasury provides guidance or regulations authorizing disaster funds to be used for such purpose.

The Main Street Recovery Program is administered by the State Treasurer and funded by an appropriation of \$260 M from the Coronavirus Aid, Relief & Economic Recovery (CARES) Act (plus an additional \$15 M provided for administrative costs of the La Department of the Treasury and the LA Legislative Auditor).

NOTE: The Department of Treasury reports that unobligated funds may not be available to satisfy the intent of proposed law upon enactment of this measure. The department reports that the Main Street Recovery Program is on track to utilize the full amount appropriated. Including paid awards and the estimated value of applications received, the program has obligated \$288 M and ceased taking new applications. 13,135 grant applicants have been notified that funds may not be available to reimburse all qualifying applications. Proposed law establishes that eligible rental businesses shall be considered if and when any additional federal funds are received and designated to provide economic support to eligible Louisiana businesses for costs incurred for and continued response to COVID-19.

REVENUE EXPLANATION

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

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

Christopher A. Keaton
Legislative Fiscal Officer