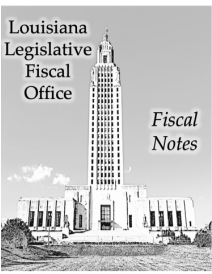


LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 214** SLS 23RS 251
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 28, 2023 1:57 PM	Author: MCMATH
Dept./Agy.: Department of Economic Development	Analyst: Noah O'Dell
Subject: Creation of Department of Commerce	

ECONOMIC DEVELOP DEPT EG INCREASE GF EX See Note Page 1 of 1
 Renames and reorganizes the Dept. of Economic Development as the Dept. of Commerce and moves the Office of Multimodal Commerce from the Dept. of Transportation to the Development to the Dept. of Commerce. (7/1/24)

Proposed law renames the Department of Economic Development (LED) as the Department of Commerce (LDC). Proposed law moves the Waterway Dredging and Deepening Priority Program (WDDPP) and the Office of Multimodal Commerce (OMC) in the Dept. of Transportation and Development (DOTD) into the LDC. Proposed law requires that the powers, duties, responsibilities and corresponding department employees, equipment, facilities, and funding of the DOTD with respect to the function of administering, managing, providing for, planning, and facilitating multimodal transportation, aviation, railroads, public mass transit, public transportation, and water transportation systems, and related statutory entities made a part of such department, be transferred to the OMC in the LDC. Proposed law renames the "Department of Economic Development" to the "Department of Commerce" and the "Secretary of Economic Development" to the "Secretary of Commerce" throughout the Louisiana Revised Statutes of 1950. Proposed law creates the Multimodal Commerce Advisory Commission.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law will likely increase SGF expenditures within the newly created Department of Commerce. Proposed law renames the Department of Economic Development (LED) as the Louisiana Department of Commerce (LDC).

The proposed law does not require the department to make changes to the logo, signage, website, or marketing materials. To the extent the proposed law intends for the department to rebrand LED, the costs associated are estimated by the department at a minimum of \$2.72 M. The department would incur one-time expenses for changing the name from LED to LDC for brand development (\$100,000), website updates (\$125,000), lobby sign (\$15,000), additional signage (\$150,000), business set and other internal marketing materials (\$40,000), collateral materials (\$500,000), tradeshow booth designs (\$75,000), video development (\$1.25 M), advertising assets (\$450,000), and printing (\$15,000).

The Legislative Fiscal Office (LFO) believes some of these anticipated costs may be absorbed through LED's existing operating budget over an extended period of time through the normal supply re-ordering process. To the extent the department waits until current supplies are exhausted, some of the expenditures may be adjusted to reflect the name change using existing resources.

Proposed law references a position of Executive Director of Louisiana Economic Development under the supervision of the Secretary of Commerce. To the extent this new position or role is not filled with existing personnel in LED, there may be a significant increase in expenditures within the department.

In addition, proposed law also moves the Office of Multimodal Commerce (OMC) in DOTD into the LDC. The corresponding budget and expenditure authority appropriated to DOTD for the OMC will be transferred to the LDC. *The Legislative Fiscal Office (LFO) assumes proposed law will not eliminate any programs or services provided by either department.*

REVENUE EXPLANATION

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

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}

Evan Brasseaux
Evan Brasseaux
Interim Deputy Fiscal Officer