



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 238** HLS 24RS 128
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 18, 2024 7:39 PM	Author: ECHOLS
Dept./Agy.: Statewide	Analyst: Tanesha Morgan
Subject: Restricts Agriculture Land Ownership by Foreign Adversaries	

AGRICULTURE OR INCREASE GF EX See Note Page 1 of 1
 Provides relative to agriculture land protection against foreign adversaries

Proposed law restricts ownership of agricultural lands in Louisiana by foreign adversaries, defined as certain designated countries and any entities they control. Specifically, it bars foreign adversaries and "prohibited foreign actors" (entities controlled by foreign adversaries) from directly or indirectly owning, acquiring, leasing or obtaining any interest in agricultural land. There are certain exemptions, such as for foreign entities that have treaty rights to own US land, or that acquire land as debt payment or collateral. Proposed law establishes penalties for violations, including civil fines and forced divestment of illegally acquired land. Proposed law also outlines investigative and enforcement mechanisms for the state Attorney General to identify violators. Additional court-ordered penalties are authorized as well.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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						

EXPENDITURE EXPLANATION

Proposed law increases expenditure in Attorney General/Department of Justice. The proposed law prohibits any foreign adversaries or prohibited foreign actors from owning agricultural land within the state after August 1, 2024. The proposed law requires the Attorney General to bring legal action against any foreign adversary or prohibited foreign actor that violates this measure.

The Attorney General reports the Public Protection Division, which is tasked with enforcement, could require a new section and four (4) new employees. The staffing estimates for the new section include salaries and related benefits (\$494,034). Other recurring costs include travel (\$4,500), supplies (\$2,000), operating services (\$28,000), and acquisitions beginning in FY 25. One-time expenditures are acquisitions of office furniture and computer equipment (\$17,808). In subsequent fiscal years, the fiscal note presumes a 4% increase in salaries for market rate adjustments and related benefits as the LFO presumes positions will be classified.


Expenditures	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Salaries	\$340,000	\$353,600	\$367,744	\$382,454	\$397,752
Related Benefits	<u>\$154,034</u>	<u>\$160,505</u>	<u>\$167,251</u>	<u>\$174,282</u>	<u>\$181,613</u>
Personal Services Sub-total	\$494,034	\$514,105	\$534,995	\$556,736	\$579,364
Operating Services	\$28,000	\$28,560	\$29,131	\$29,714	\$30,308
Travel	\$4,500	\$4,590	\$4,682	\$5,570	\$5,681
Supplies	\$2,000	\$2,100	\$2,205	\$2,315	\$2,431
Acquisitions	<u>\$17,808</u>	<u>\$2,000</u>	<u>\$2,200</u>	<u>\$2,420</u>	<u>\$2,541</u>
Total Expenditures	\$546,342	\$551,445	\$573,213	\$596,755	\$620,326

The LFO cannot corroborate the increased workload predicted by the department. To the extent the additional workload is less than what the Attorney General anticipates, the additional workload may be absorbable, either wholly or partially, using existing staff and resources or may be achievable with fewer than four positions. The proposed law authorizes Attorney General to utilize civil penalties collected under this measure to recover expenses incurred associated with investigation and enforcement. To the extent civil penalties are collected, the need for SGF in future fiscal years may be mitigated.

REVENUE EXPLANATION

Proposed law allows the Attorney General to assess a civil penalty of \$50,000 and forfeiture if a foreign adversary does not divest its agricultural land within a year after a judgment. The LFO cannot determine the number of foreign adversaries that will be assessed civil penalties or anticipate the amount of revenue collected from civil penalties.

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| <p><u>Senate</u></p> <p><input 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 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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Patrice Thomas
 Deputy Fiscal Officer