

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 955** HLS 24RS 2220

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 30, 2024	12:40 PM	Author: MARCELLE
Dept./Agy.: Local political subdivisions		Analyst: Deborah Vivien
Subject: Prohibits certain fees		

HOUSING/AUTHORITIES

EG DECREASE LF RV See Note

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Provides that housing authorities are exempt from certain fees and requirements for surety

Proposed law prohibits parishes and municipalities from charging, collecting or requiring construction or planning-related fees to any housing authorities it has established, including its related entities. Prohibited fees are listed in the bill and include fees for planning and zoning applications, building permits, commercial plan reviews, inspections, sewer installation, wastewater discharge permits, traffic impacts and commercial, mechanical or plumbing trade permits.

Proposed law exempts housing authorities and related entities from posting surety bonds, cash bonds or letters of credit for infrastructure, public improvement or construction work activities.

EXPENDITURES	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.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Annual Total						

EXPENDITURE EXPLANATION

Localities that have formed a housing authority will be required to provide services, such as certain inspections and permitting, without the ability to charge a fee. According to affordablehousing.com, Louisiana has 161 public housing agencies in all areas of the state, apparently established by parishes, cities, towns and police juries. Apparently, all will be subject to the provisions of the bill. Though the bill may not impact the expenditures necessary to administer the exclusion, other government functions may be reduced if the locality lacks an alternative revenue source to provide the services.

It is not clear if the provisions of the bill will require additional local resources as the magnitude of the exemption is dependent upon the activity of each housing authority within the specific political subdivision. Time limitations have precluded agency responses on the impacts of the note.

Surety bonds, cash bonds and letters of credit are exempt for housing authorities in the bill. It appears that some federal programs, including those administered by Housing and Urban Development, require bonding as a condition of participation. It is not clear if this bill is in conflict with any federal requirements that may cause unforeseen financial complications. Further, the protections inherent with bonding are removed with the bill and could lead to repercussions in the event of a default or delay.

REVENUE EXPLANATION

The bill will reduce local revenue to the extent that local housing authorities are currently paying the fees exempted by the bill and will no longer be required to do so. The magnitude of the loss in revenue will be dependent upon the activity of each housing authority within the specific political subdivision.

Many housing programs administered through housing authorities are funded through federal programs, as reflected in testimony in Committee on Municipal, Parochial and Cultural Affairs. Eliminating these fees seems to imply that, with some projects, the fees will no longer be submitted as an expense to be reimbursed with federal funds.

Senate
 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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