



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 628** HLS 25RS 321

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 23, 2025	3:14 PM	Author: CREWS
Dept./Agy.: Treasury		
Subject: Louisiana Dividend Program		Analyst: Kimberly Fruge

TREASURY DEPARTMENT

EG SEE FISC NOTE SD EX

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Establishes the La. Dividend Program within the Dept. of Treasury and provides for funding, administration, qualifications, and restrictions

Proposed law establishes the Louisiana Dividend Program within the Treasury to return excess mineral revenue to taxpayers, implementation begins the first July 1st in which there is no individual income tax levied in the state; creates the Louisiana Dividend Fund; requires the Treasurer to deposit twenty-five percent of all mineral revenues in excess of \$650 M after any allocations of such revenues required by current law; creates the Restorative Justice Subfund within the Louisiana Dividend Fund; requires the Treasurer to transfer from the Louisiana Dividend Fund to the subfund an amount equal to the product of the total number of ineligible individuals and the dividend amount for that payment period; requires the Secretary of the Department of Public Safety and Corrections to supply the number of ineligible individuals to the Treasurer; provides that monies in the subfund be appropriated to the Department of Public Safety and Corrections for costs related to incarceration; provides for eligibility for the program; provides that the dividend only be paid if the balance of the fund exceeds \$400 M at the end of the qualifying year; provides that the legislature, with 2/3 vote can decide to utilize monies in the fund for capital outlay; provides for application to receive the dividend; provides for the determination for the amount of the dividend including subtracting the amount necessary to pay costs of administering the dividend program.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	\$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	\$0	\$0	\$0	\$0	\$0	\$0

Annual Total

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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	\$0	\$0	\$0	\$0	\$0	\$0

Annual Total

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Proposed law provides that implementation begins on the first July 1st in which there is no individual income tax levied in the state. In addition, various other limitations under current law may constrain the amount deposited into the fund and delay implementation. This fiscal note illustrates the potential impacts should proposed law be implemented, the fund balance exceed \$400 M, and the legislature decides to use the fund to return the excess mineral revenues to taxpayers. The timing of implementation is speculative and may occur outside of the five-year window.

Proposed law, if implemented, would result in an increase in expenditures for the Treasury to create the Louisiana Dividend Program. The department reports that the cost of creating the new program is unknown at this time, but at a minimum, it would require additional staff and would likely be significant. Proposed law requires the department to establish a dividend program, establish an application process, pay the dividend to qualified applicants, and establish a fraud investigation unit. Proposed law requires the department to subtract the amount necessary to pay the costs of administering the program from the dividend amount. Therefore, expenditures are assumed to be Statutory Dedications. It is unclear whether, upon creation, the program would need to operate annually or only in years where the Louisiana Dividend Fund balance is greater than \$400 M.

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REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. Proposed law provides that implementation begins on the first July 1st in which there is no individual income tax levied in the state. In addition, various other limitations under current law may constrain the amount deposited into the fund and delay implementation. This fiscal note illustrates the potential impacts should proposed law be implemented and the fund balance exceed \$400 M. The timing of implementation is speculative and may occur outside of the five-year window.

Proposed law, if implemented, may lead to an increase in revenues deposited into the Louisiana Dividend Fund and a decrease in SGF revenues, to the extent mineral revenues exceed \$650 M after allocations required by the constitution and R.S. 39:100.116. Any such changes to Statutory Dedications or SGF are unknown.

Proposed law allows the Treasury to create fees for processing claims on dividends, assignments of dividends, and appeals. The LFO anticipates these fees will be deposited into the fund to offset the costs of administering the program. In addition, proposed law provides for a civil fine of up to \$300 for individuals wilfully misrepresenting eligibility to receive the dividend. It is unclear whether these fines will be collected as SGF or will be deposited into the Louisiana Dividend Fund. The amount of fines or fees collected pursuant to proposed law is unknown at this time.

Senate

Dual Referral Rules

House

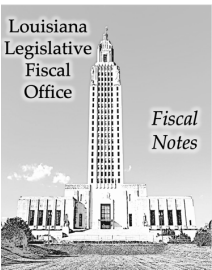
☐ 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

☐ 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Patrice Thomas
Deputy Fiscal Officer



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CONTINUED EXPLANATION from page one:
EXPENDITURE EXPLANATION CONTINUED:

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Proposed law requires the Treasurer to notify the House Committee on Appropriations and the Senate Committee on Finance when the conditions are met to provide a dividend to qualified individuals. The LFO assumes expenditures from the fund would require an appropriation by the legislature.

Treasury requires certain resources to create and administer a statutory dedication, as in this measure. Should aggregate session action result in the creation of funds beyond that which can be absorbed within existing resources, additional funding may be required, which is assumed to be SGR in this fiscal note.

<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}	Patrice Thomas
<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}	Deputy Fiscal Officer