

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **HB 89** HLS 051ES 301
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Sub. Bill For.:
 Proposed Amd.:

Date: November 10, 2005 9:52 AM	Author: ALARIO
Dept./Agy.:	Analyst: Evan Brasseaux
Subject: Disaster Recovery Fund	

FUNDS/FUNDING

OR SEE FISC NOTE SD EX

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Creates the Disaster Recovery Fund as a special fund in the state treasury and provides for the deposit of certain monies in the fund to be used solely to fund infrastructure costs related to disaster recovery (Item #27)

The proposed legislation creates the Disaster Recovery Fund as a special fund in the state treasury. The state treasurer is hereby directed to deposit into the fund an amount equal to 75% of the amount of nonrecurring revenues resulting from FY 05 and designated by the Revenue Estimating Conference. All unexpended and unencumbered monies in the fund at the end of the fiscal year shall remain in the fund. The legislature may provide for appropriation or deposit of additional monies to the fund. Monies in the fund shall be invested by the treasurer in the same manner as those in the state general fund and any interest earned on the investment of monies in the fund shall be credited to the fund. Monies in the fund shall be appropriated by the legislature only to fund capital outlay projects which are related to disaster recovery.

EXPENDITURES	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>5 -YEAR TOTAL</u>
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	\$0	\$0	\$0	\$0	\$0	\$0
REVENUES	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>5 -YEAR TOTAL</u>
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	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The creation of the Disaster Recovery Fund will result in an increase in expenditures on capital outlay projects in the comprehensive state capital budget as set forth in Article VII, Section 10 (D)(2)(c) of the Constitution of Louisiana which are related to disaster recovery. The annual level of expenditures on disaster recovery projects is unknown but is anticipated to be significant as the fund would initially be financed with approximately \$189 million in nonrecurring revenues from FY 05. However, as described below, these funds would otherwise be available for other specified purposes and would presumably expended for those purposes. Thus, total outlays are not affected.

REVENUE EXPLANATION

The proposed legislation creates the Disaster Recovery Fund as a special fund in the state treasury and will be initially financed with 75% of the amount of revenues resulting from FY 05 and designated by the Revenue Estimating Conference to be nonrecurring revenues (\$189,339,000). Monies in the fund shall be invested by the state treasurer in the same manner as those in the SGF, and any interest earned on the investment of monies in the fund shall be credited to the fund.

These funds would otherwise be available for debt defeasance, contributions to the unfunded accrued liability of the public retirement systems, other capital outlay projects including certain highway projects, and wetlands restoration projects.

Senate

Dual Referral Rules

House

13.5.1 >= \$500,000 Annual Fiscal Cost

6.8(F) >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

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

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