

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **HB 6** HLS 051ES 181
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Sub. Bill For.:
 Proposed Amd.:

Date: November 12, 2005 12:04 PM	Author: PINAC
Dept./Agy.: Office of Financial Institutions	Analyst: Charley Rome
Subject: Extends time limits for certain CAPCO investments	

ECONOMIC DEVELOPMENT EG SEE FISC NOTE SD RV See Note Page 1 of 1

ECONOMIC DEVELOPMENT: Extends time limit for certain investment deadlines under the CAPCO program due to the impact of Hurricanes Katrina and Rita.

Proposed law provides that considering the adverse impact of Hurricanes Katrina and Rita, all deadlines for CAPCO investment required under LRS 51:1927.1 which would have fallen between August 25, 2005, and December 30, 2005, shall be extended to March 31, 2006.

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	\$0	\$0	\$0	\$0	\$0	\$0
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

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Passage of this bill will provide for a short extension of certain investment deadlines for certified Louisiana capital companies (CAPCOs) under the CAPCO program due to the impact of Hurricanes Katrina and Rita. The Office of Financial Institutions currently performs the regulatory and examination functions of the program and does not foresee any impact on expenditures.

REVENUE EXPLANATION

The proposed legislation might result in decreased revenues to the state. Companies failing to meet "accelerated" investment requirements under LRS 51:1927.1 might be subject to penalties associated with failure to reach these investment goals. Such companies would be required to remit a portion of future equity distributions to Louisiana Economic Development Fund. Information as to which companies might not meet the current deadlines and might be subject to penalties under LRS 51:1927.1 is not readily available. Furthermore, there is no way to estimate the state's portion of future equity distributions from companies subject to such penalties.

It seems unlikely, though, that the brief extension provided by this bill would materially impact any revenue that might have been received by the state under the deadlines of current law.

Senate Dual Referral Rules

13.5.1 >= \$500,000 Annual Fiscal Cost

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

House

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

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

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