

## LEGISLATIVE FISCAL OFFICE **Fiscal Note**

Fiscal Note On: HB

6

HLS 051ES 181

Bill Text Version: ENROLLED

Opp. Chamb. Action:

Sub. Bill For.:

**Date:** November 21, 2005 1:30 PM

**Author: PINAC** 

**Analyst:** Charley Rome

Dept./Agy.: Office of Financial Institutions

Proposed Amd.:

**Subject:** Extends time limits for certain CAPCO investments

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**ECONOMIC DEVELOPMENT** EN SEE FISC NOTE SD RV See Note 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>	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	\$0
REVENUES	2005-06	2006-07	2007-08	2008-09	2009-10	5 -YEAR TOTAL
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	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	\$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.

<u>Senate</u> <u>D</u> ☐ 13.5.1 >= \$500,00	ual Referral Rules 00 Annual Fiscal Cost	House $\boxed{ 6.8(F) >= $500,000 \text{ Annual Fiscal Cost} }$	Legaz V. allect
			Gregory V. Albrecht Chief Economist

or a Net Fee Decrease