

**LEGISLATIVE FISCAL OFFICE**  
Fiscal Note



Fiscal Note On: **SB 219** SLS 13RS 392

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 11, 2013	1:02 PM	<b>Author:</b> DONAHUE
<b>Dept./Agy.:</b> Legislature		<b>Analyst:</b> Greg Albrecht
<b>Subject:</b> Require Appropriation of Certain Tax Credits & Rebates		

FISCAL CONTROLS

OR SEE FISC NOTE GF EX

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Prohibits expenditures to refund tax credits, pay rebates, or repurchase or grant transferable tax credits granted through incentive contracts unless budgeted and appropriated. (gov sig)

The bill requires tax credits, rebates, and buybacks, granted through incentive contracts with the state or its agencies, to be subject to appropriation { as required by Article VII, Section 10(D)(1) }.

Beginning July 1, 2013

<b>EXPENDITURES</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						
<b>REVENUES</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The bill does not change the eligibility or benefit parameters of any program, but will subject affected programs to the appropriations process along with many other programs of government. That may or may not change the total amount of public resources expended on these programs each year.


The Legislative Auditor, as part of their ongoing program performance auditing, identified 25 programs that this bill is likely to affect. A number of these programs have not been implemented to date or have expended relatively small amounts of funds so far. However, outlays in the 3 years the Auditor examined (2009, 2010, 2011) totaled over \$416 million by these programs. Outlays in 2011 totaled \$56 million (indicating the degree of variability possible on an annual basis). The bulk of the costs (92%) are associated with four programs: motion picture (47%), New Markets (19%), Enterprise Zones (13%), and R&D (13%); although it is possible for programs to exhibit dramatic growth in costs as they ramp-up and become more widely known.

From a practical budgeting perspective, estimated program outlays would have to be included in the official revenue estimate in order to be appropriated (since these program costs are currently reflected as less net revenue receipts).

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

<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) >= \$500,000 Annual Fiscal Cost {S}
<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}

  
**John D. Carpenter**  
**Legislative Fiscal Officer**