



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 392** HLS 14RS 584
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 13, 2014 3:27 PM	Author: SCHEXNAYDER
Dept./Agy.: LA Federal Property Assist. Agency/Military	Analyst: Travis McIlwain
Subject: Department of Defense Excess Property Program	

ADMINISTRATION DIVISION OR DECREASE SG RV See Note Page 1 of 1
 Requires the state to provide free assistance to local law enforcement agencies for the transfer of surplus equipment and supplies through the Department of Defense Excess Property Program (1033 Program)
 Proposed bill provides that the state shall provide free assistance to local law enforcement agencies for the transfer of surplus equipment and supplies from the U.S. Department of Defense through the 1033 Program. Proposed law provides that the state shall not charge local law enforcement agencies for the state's cost to support such program or the state's cost to maintain federal compliance. Proposed law provides that the LA Federal Property Assistance Agency shall cease imposing or collecting any service charges for property requisitioned. Effective upon governor's signature.

EXPENDITURES	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</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>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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>	\$0
Annual Total						

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

This bill will result in an annual decrease of approximately \$100,000 to \$120,000 of self-generated revenues within the LA Federal Property Assistance Agency (LFPAA). The U.S. Department of Defense's Excess Property Program (1033 Program) provides surplus military equipment to state and local law enforcement agencies. The LFPAA is the designated state coordinator of the federal Law Enforcement Support Office 1033 Program and assesses service charges to the law enforcement entity receiving the equipment. This bill would eliminate these service charges and provide free assistance to local law enforcement agencies for the transfer of surplus equipment from the 1033 Program.

The DOA has indicated to the LFO that not charging these service charges would result in the LFPAA not having the necessary funds to provide for the oversight functions of the equipment. A federal requirement of this program is for the state coordinator to annually monitor and report (annual compliance report) on the federal equipment being utilized in the field by the local law enforcement agencies (there are currently 2,500 items in the field from this program in the state). Thus, the DOA indicates that SGF would be needed to offset the loss of self-generated revenues.

NOTE: In FY 13, the LFPAA collected approximately \$1.9 M in revenues and expended approximately \$1.5 M.

According to the state's latest application packet, the service charges for equipment are as follows: \$10,000 each - fixed wing/rotary aircraft, \$5,000 each - boats, \$2,000 each - armored personnel carriers, \$100 each - rifles, \$75 each - shotguns and grenade launchers, \$50 each - pistols. According to U.S. Law Enforcement Support Office (LESO), Louisiana is 1 of 11 states that charge law enforcement agencies for participation in the 1033 Program. There are 43 states that do not charge local law enforcement service charges. As mentioned above, Louisiana has set charges for various equipment, while other states that do charge, charge a certain percentage of value of the item (most are 2%) or charge an annual fee.

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| Senate | <u>Dual Referral Rules</u> | House | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & 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} |

Evan Brasseaux

Evan Brasseaux
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