

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 136** SLS 16RS 260
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ HSE COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: May 19, 2016 9:56 AM	Author: WARD
Dept./Agy.: Attorney General	Analyst: Matthew LaBruyere
Subject: Special Attorneys	

JUSTICE DEPARTMENT RE1 DECREASE GF RV See Note Page 1 of 1
 Provides relative to the employment of special attorneys or counsel. (gov sig)

Present law provides that the attorney general, or any state agency, board, or commission, not including any public postsecondary education institution, cannot incur fees for legal services in excess of the greater of (1) \$500 per hour per person or (2) the maximum rate approved by the Attorney Fee Review Board. Proposed law changes the limitation to \$1,000 per hour per person. Proposed law provides that any contract with an hourly fee of \$750 or more, paid from the Dept. of Justice Legal Support Fund, shall be reported to the Joint Legislative Committee on the Budget within 90 days of the contract's execution. Proposed law increases the Department of Justice Legal Support fund cap of \$10 M to \$20 M.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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						
REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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						

EXPENDITURE EXPLANATION

The proposed legislation may increase state general fund expenditures as a result of increasing the maximum special attorney rate from \$500 per hour to \$1,000 per hour. To the extent any agency, board or commission hires outside counsel that has an hourly rate over \$500, expenses will increase. The increase is indeterminable since it is unknown how many agencies will hire outside counsel that will have an an hourly rate above \$500 and how many hours will be billed to an agency. For illustrative purposes, if any agency does hire outside counsel at the maximum rate of \$1,000 per hour, once the outside counsel bills the agency for 200 hours, the cost will be \$100,000 (\$500 maximum rate increase x 200 hours).

According to the Department of Justice, there is one legal contract within the department that has one contract attorney at the maximum rate of \$500 per hour. At this time it is unknown if any other state agencies are paying outside counsel the maximum rate of \$500 per hour.

NOTE: The proposed legislation provides that any contract with an hourly fee of \$750 or more, paid from the Dept. of Justice Legal Support Fund, shall be reported to the Joint Legislative Committee on the Budget within 90 days of the contract's execution. The LFO anticipates that such contracts will be reported during regularly scheduled meetings of the JLCB and no additional expenditures are likely.

REVENUE EXPLANATION

The proposed legislation will result in a decrease in state general fund revenue and an increase in statutory dedicated revenue as a result of increasing the DOJ Legal Support Fund maximum balance amount from \$10 M to \$20 M. The bill creates a negative exposure to the state general fund of \$10 M per year. Deposits into the fund vary from year to year depending on court judgments, settlements, fines, fees forfeitures, and penalties.

Currently, FY 16 receipts total \$4.3 M and FY 15 receipts totaled \$6.1 M. However, the fund received \$78.2 M in FY 13 and \$129.7 M in FY 14. To the extent the department is involved in large collections in the future, this bill will preclude as much as \$10 M of such collections from being deposited into the state general fund.

- | | | |
|---|--|--------------|
| <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)(1) >= \$100,000 SGF Fiscal Cost {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
Staff Director