

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 205** SLS 17RS 460

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 9, 2017 5:26 PM	Author: MORRELL
Dept./Agy.: Division of Administrative Law	Analyst: Monique Appeaning
Subject: Certain Boards and Commissions Disciplinary Adjudications	

COMMERCIAL REGULATIONS OR INCREASE OF EX See Note Page 1 of 1
Provides relative to boards and commissions and disciplinary adjudications. (gov sig)

Proposed law enacts R.S. 37:21.1 and R.S. 49:992.2, and repeals R.S. 49:992(D)(5), relative to boards and commissions; provides for powers, duties, and procedures relative to disciplinary proceedings for conducting of disciplinary adjudications by administrative law judges. It also provides for terms, conditions, procedures, and requirements for award of attorney fees, court costs, damages, an effective date, and related matters.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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>	\$0
Annual Total						

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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>	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed law will result in an indeterminable but likely significant increase in IAT and SGR expenditures in the Division of Administrative Law (DAL). Proposed law directs boards and commissions to refer disciplinary adjudications against a regulated person or entity to DAL for a disciplinary adjudication.

The DAL reports that it cannot estimate the expenditures that may result from the passage of this bill without additional information such as the number of hearings per year, the length of those hearings, pre-hearing conferences, complexity of hearings, and location requirements for hearings. This data is currently disaggregated across a large number of boards and commissions statewide. The boards will have to pay a fee to DAL to conduct these hearings. The LFO anticipates this may result in some savings to the boards because instead of contracting with private attorneys, the boards will contract with DAL to conduct the hearings, likely at a lower rate.

Proposed law also repeals R.S. 49.992(D)(5) which exempts professional and occupational licensing boards from attorney fees, court costs and damages paid to a regulated person or entity who prevails in a final disciplinary adjudication. Repeal of this exemption will likely result in an indeterminable, but potentially significant increase of SGR expenditures for boards and commissions.

REVENUE EXPLANATION

Proposed law may result in an indeterminable increase in IAT and SGR for DAL. The agency reports that additional information is needed to estimate this revenue. Agencies that use DAL services pay through an approved statewide cost allocation plan (SWCAP).

The Division of Administration, Office of Statewide Reporting and Accounting Policy (OSRAP) is responsible for preparing the state's SWCAP. SWCAP is defined as the documentation identifying, accumulating, and allocating or developing billing rates based on the allowable costs of services provided by a governmental unit on a centralized basis to its departments and agencies. State agencies may only charge federal programs if the state has an approved Statewide Cost Allocation Program. This legislation may impact the SWCAP as a result of its first year of implementation; however, future fiscal years will likely be adjusted accordingly.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
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