

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 456** HLS 17RS 295
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

| | |
|---|------------------------------------|
| Date: May 12, 2017 3:11 PM | Author: ABRAMSON, DAVIS, |
| Dept./Agy.: Legislature | Analyst: Willie Marie Scott |
| Subject: Constitution Convention | |

CONSTITUTION/CONVENTION EG INCREASE GF EX See Note Page 1 of 2
 Provides for calling a limited constitutional convention and preparations therefor.

The proposed legislation creates the Evaluation & Drafting Committee, comprised of 27 members, to determine if a constitutional convention is needed. If a constitutional convention is determined to be needed, the committee shall prepare a draft of a proposed constitution with alternative provisions and by 6/12/2019 submit to the legislature and governor a plan for the conduct of a constitutional convention to be held on 1/7/2019. It further provides for the election of 105 delegates and the appointment of the 27 members from the Evaluation & Drafting Committee) for a total of 132 convention delegates. The legislation requires an election for the 105 delegates on 11/6/2018 (primary) and 12/8/2018 (general), and another election for the proposed draft of the constitutional revisions at the gubernatorial primary election on 10/12/2019. It also provides for the election of a chairman, vice chairman, membership of an executive committee, and chief clerical officer. The Executive Committee may create and establish substantive and procedural committees as deemed necessary; and shall employ a research director, research assistants, secretarial/clerical personnel, and such other professional, research, technical and clerical employees. Compensation of staff personnel shall be established by the Executive Committee; and delegates of the convention shall be paid the same per diem as member of the legislature. In addition to its staff **(Continue on Page 2)**

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

| REVENUES | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 5 -YEAR TOTAL |
|---------------------|-----------|-----------|-----------|------------|------------|---------------|
| State Gen. Fd. | SEE BELOW | SEE BELOW | SEE BELOW | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | SEE BELOW | SEE BELOW | SEE BELOW | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | | | | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

The proposed legislation will result in an indeterminable increase in SGF expenditures. The cost relative to expenses of the Evaluation & Drafting Committee along with the convening of a constitutional convention cannot be accurately estimated due to the number of variables that make up the costs of such an initiative. To the extent the Evaluation and Drafting Committee determines that a convention is necessary, SGF costs are expected to be significant and are discussed below. To the extent that the Evaluation & Drafting Committee determines that a constitutional convention is not necessary, the committee shall be dissolved upon adjournment of the 2018 RS; and will result in no additional cost.

The majority of the costs associated with the proposed legislation would be the per diem paid to the 27 members of the Evaluation & Drafting Committee and the 132 delegates of the constitutional convention. The legislative per diem rate is \$156 and the cost of related benefits (7.65% includes FICA 6.2% and Medicare 1.45%) is approximately \$12 for a daily cost of approximately \$168/day. Based upon these figures, the daily cost for the Executive Committee and the constitutional convention would be \$17,640 and \$22,176 respectively. The total cost would depend upon the number of meeting days held. The legislation also allows the Evaluation & Drafting Committee to create or appoint advisory committees or task forces, and receive a per diem at a daily cost of \$4,536; and the Executive Committee to create or establish substantive and procedural committees. Expenditures relative to additional committees or task forces, and per diem paid to the Evaluation & Drafting Committee if approved by the presiding officers of the 2 houses of the Legislature are indeterminable. There will also be costs for the payment of salaries and expenses of necessary employees, supplies, materials, equipment, printing and reproduction of materials and all other necessary expenses incurred in connection with the convention and its work. Additional indeterminable costs may be incurred to the extent that staff from other agencies and delegates request travel allowance (mileage only) and overtime pay for legislative staffers during the constitutional convention. According to House Accounting, the cost of one round trip mileage reimbursement for 105 members at 53.5 cents per mile is \$10,966.43 which is paid every 2 weeks during legislative sessions. Based on this projection and the assumption that the convention will last the duration of 6 months, the maximum potential cost for mileage is approximately \$131,597 (\$10,966.43 X 12 payments). **Note:** The total budget for the 1973-74 constitutional convention was approximately \$2.9 M of which \$1 M was delegate per diem costs and \$850,000 was budgeted for the salary expenses for convention staff.

The Department of State budgets for up to 10 constitutional amendments for the fall statewide elections as regular practice and any cost associated with this proposed constitutional amendment will be absorbed with the agency's budget. Since statewide elections are scheduled for 2018 and 2019, no fiscal impact on election expenses will be realized. The Ethics Administration indicated there could be additional postage costs associated with mailing notice of delinquency letters if delegates fail to file or fail to file timely. **Ctd on page 2**

REVENUE EXPLANATION

The proposed legislation grants both the Evaluation & Drafting Committee and the constitutional convention the authority to accept grants, donations or gifts of money and services from public and private sources to defray the expenses of the committee and constitutional convention. The amount that may be received from non-governmental entities, if any, cannot be estimated. Automatic late filing fees are assessed for every day the required campaign finance reports are late. The fees are \$60 per day for district office candidates, and additional civil penalties may be imposed for reports more than 10 days late. The increase in revenue is **(Continue on Page 2)**

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
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Staff Director

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CONTINUED EXPLANATION from page one:

the convention may utilize the personnel and services of the Legislative Auditor (LLA), Legislative Fiscal Office (LFO), and staffs of the House of Representatives and the Senate. Both the Evaluation & Drafting Committee and the constitutional convention may accept grants, donations or gifts of money or services, including the use of facilities and staff from public or private sources to defray the expenses of the convention. Expenses of the constitutional convention shall be paid from an appropriation made by the legislature.

EXPENDITURE EXPLANATION CTD.

Any increase in postage costs will likely be absorbed by the agency.

The LFO and staffs of the House of Representatives and Senate will likely absorb any additional duties with existing staff and resources. However, if the constitutional convention concurs with the regular fiscal legislative session (60 days), the need for additional staff may be required in addition to locating a suitable facility to hold the convention. The LLA has indicated that if the workload is not of a minimal nature, the cost will be \$10,500 for every 100 hour committed to the Evaluation & Drafting Committee.

REVENUE EXPLANATION CTD.

indeterminable since it will depend on the number of candidates that may fail to file or file late and the number of days reports are filed late. All fees assessed are deposited into the SGF.

Senate

Dual Referral Rules

House

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

- 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}

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