

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 833** HLS 18RS 404

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 24, 2018	2:55 PM	Author: MORRIS, JAY
Dept./Agy.: Various state agencies		Analyst: Willis Brewer
Subject: Provides for reduction to revenues into certain funds		

FUNDS/FUNDING OR SEE FISC NOTE SD RV Page 1 of 2
Provides for reduction to revenues into certain statutory funds to newly established TOPS Stability Fund.

Proposed law establishes the TOPS Stability Fund as a special treasury fund. Monies in the fund shall be used to provide funding for TOPS and invested in the same manner as the state general fund. Unexpended and unencumbered monies remain in the fund at the end of the fiscal year. Proposed law reduces 50% of monies deposited into the 2 % Fire Insurance Fund, Casino Support Services Fund, Compulsive And Problem Gaming Fund, Dept of Revenue Alcohol and Tobacco Control Officers Fund, Forestry Productivity Fund, LA Agricultural Finance Authority Fund, Louisiana Economic Development Fund, Louisiana Fire Marshal Fund, Marketing Fund, Municipal Fire & Police Civil Service Operating Fund, New Orleans Sports Franchise Fund, Pari-Mutuel Live Racing Facility Gaming Control Fund, Riverboat Gaming Enforcement Fund, Tobacco Regulation Enforcement Fund, Tobacco Tax Health Care Fund, and Video Draw Poker Device Purse Supplement Fund. These monies are to deposited into the TOPS Stability Fund. Effective July 1, 2018.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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

Proposed legislation will result in an indeterminable change in state expenditures. This measure does not eliminate the existing expenditures currently supported by these dedications; however, to the extent other revenue sources are not available, expenditures will be reduced. See **page 2** for list of departments that are appropriated funds out of these statutory dedications.

REVENUE EXPLANATION

Proposed legislation will result in a net zero change in state revenues, but will redirect approximately \$113 M - \$121 M into this newly created statutory dedication (TOPS Stability Fund) that otherwise would have been deposited into a statutory dedication or classified as SGF (Pari-Mutuel Live Racing Facility Gaming Control Fund and Municipal Fire and Police Civil Service Operating Fund). This range is based on two different methodologies: 1) FY 19 REC forecast: based on the 12/14/17 Revenue Estimating Conference (REC) projections for FY 19, \$225.7 M is forecasted from the impacted funds that would be redirected to the TOPS Stability Fund. 2) Five-year average of deposits: based on the last five years (FY 13 - 17), there was an average of \$244.1 M deposited in these specific statutory dedications. Assuming these deposits remain constant, this legislation would deposit between \$113 M - \$121 M into the TOPS Stability Fund beginning in FY19 and subsequent years.

Note: The Pari-Mutuel Live Racing Facility Gaming Control Fund racing slots machine tax proceeds are distributed to several statutory dedications and the remaining balance is reverted to the state general fund. This measure will reduce the revenues these funds receive from the Pari-Mutuel fund and the amount classified as SGF. Over the last five years (FY 13 - FY 17), an average of \$24 M from this fund has been classified as SGF.

Calculations on Page 2

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input checked="" 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
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Staff Director

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CONTINUED EXPLANATION from page one:

Calculations

Example 1: 50% of FY 19 Revenues Estimated by REC (12/14/17)

Fund Name	FY 19 REC	50% (TOPS Stability)
2% Fire Insurance Fund	\$22.6	\$11.3
Casino Support Services Fund	\$1.8	\$0.9
Compulsive & Problem Gaming Fund	\$2.5	\$1.3
Dept of Rev. Alcohol and Tobacco Control Officers ¹	-	-
Forestry Productivity Fund	\$2.0	\$1.0
LA. Agricultural Finance Authority Fund	\$12.0	\$6.0
Louisiana Economic Development Fund	\$12.2	\$6.1
Louisiana Fire Marshall Fund	\$16.3	\$8.2
Marketing Fund	\$2.0	\$1.0
Municipal Fire and Police Civil Service Operating Fund	\$2.4	\$1.2
New Orleans Sports Franchise Fund	\$2.6	\$1.3
Pari-Mutuel Live Racing Facility Gaming Control Fund	\$52.3	\$26.2
Riverboat Gaming Enforcement Fund	\$65.7	\$32.9
Tobacco Regulation Enforcement Fund	\$0.1	\$0.0
Tobacco Tax Health Care Fund	\$28.5	\$14.2
Video Draw Poker Device Purse Supplement Fund	\$2.7	\$1.4
Grand Total	\$225.7	\$112.8

¹ Treasurer indicated the Public Retirement Systems' Actuarial Committee (PRSAC) determined the actuarially accrued liability for full-time law enforcement personnel's retirement benefits has been satisfied; therefore, this fund is anticipated to be abolished in outgoing years.

Example 2: Five year Average of Monies Deposited into Specific Statutory Dedications

Fund Name	5-Year Average	50% (TOPS Stability)
2 % Fire Insurance Fund	\$21.7 M	\$10.8 M
Casino Support Services Fund	\$3.0 M	\$900.0 K
Compulsive & Problem Gaming Fund	\$2.6 M	\$1.3 M
Dept of Rev. Alcohol and Tobacco Control Officers ¹	-	-
Forestry Productivity Fund	\$2.5 M	\$1.3 M
LA Agricultural Finance Authority Fund	\$12.0 M	\$6.0 M
Louisiana Economic Development Fund	\$14.8 M	\$7.4 M
Louisiana Fire Marshal Fund	\$16.0 M	\$8.0 M
Marketing Fund	\$2.0 M	\$1.0 M
Municipal Fire and Police Civil Service Operating Fund	\$2.2 M	\$1.1 M
New Orleans Sports Franchise Fund	\$8.8 M	\$4.4 M
Pari-Mutuel Live Racing Facility Gaming Control Fund	\$56.6 M	\$28.3 M
Riverboat Gaming Enforcement Fund	\$62.2 M	\$31.1 M
Tobacco Regulation Enforcement Fund	\$617.9 K	\$309.0 K
Tobacco Tax Health Care Fund	\$36.2 M	\$18.1 M
Video Draw Poker Device Purse Supplement Fund	\$2.9 M	\$1.5 M
Grand Total	\$244.1 M	\$121.4 M

Reduction by Department

	5-Year Average	50% (TOPS Stability)
Executive Department	\$18.9 M	\$9.4 M
Agriculture and Forestry	\$12.2 M	\$6.1 M
Office of the Attorney General	\$2.6 M	\$1.3 M
Public Safety Services	\$69.0 M	\$34.5 M
Department of Health and Hospitals	\$5.2 M	\$2.6 M
Department of Revenue	\$17.6 M	\$8.8 M
Department of Economic Development	\$610.9 K	\$305.5 K
Department of Civil Service	\$2.0 M	\$981.5 K
Higher Education	\$24.0 M	\$12.0 M
Other Requirements	\$22.8 M	\$10.8 M
Dollars Retained in Stat Ded	\$45.2 M	\$22.6 M
SGF Reversions	\$24.0 M	\$12.0 M
Grand Total	\$244.1 M	\$121.4 M

Senate
 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}

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