

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 286** HLS 19RS 107
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **W/ SEN FLOOR AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: June 1, 2019	3:22 PM	Author: HENRY
Dept./Agy.: Treasury		
Subject: Transfer to Budget Stabilization Fund		Analyst: Greg Albrecht

FUNDS/FUNDING REF SEE FISC NOTE SD RV See Note Page 1 of 2
 Provides for the transfer, deposit, and use of monies among state funds

The bill directs the treasurer to transfer out of the state general fund \$77,013,301, into the Budget Stabilization Fund, and \$55M into the Coastal Protection and Restoration Fund. Both of these allocations are to be wholly comprised of non-recurring revenues recognized by the Revenue Estimating Conference from the FY18 surplus. Transfers from the state general fund totaling \$12.927M, are allocated as follows: to the Fiscal Administrator Revolving Loan Fund (\$450,000), the Utility and Carrier Inspections and Supervision Fund (\$2M), the Motor Fuels Underground Storage Tank Trust Fund (\$1.5M), the Higher Education Initiatives Fund (\$2M), the Voting Technology Fund (\$2.682M), the Oil and Gas Royalties Dispute Fund (\$0.895M), and the Overcollections Fund (\$3.4M). Creates the New Orleans Ferry Fund and dedicates registration and license fees and taxes collected from trucks and trailers in Orleans Parish to the Fund from FY20 and thereafter. Recreates the New Orleans Ferry Fund to receive registration and license fees and taxes collected on trucks and trailers in Orleans Parish to support ferry services. Continued on Page 2

EXPENDITURES	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</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>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
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>	\$0
Annual Total						

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

The state constitution requires 25% of designated non-recurring revenue be deposited into the Budget Stabilization Fund. On April 10, 2019, the Revenue Estimating Conference recognized \$308.053M of surplus from FY18, and designated these funds as non-recurring. Twenty-five percent of this total is \$77,013,301. This amount is to be transferred by the treasurer from the state general fund to the Budget Stabilization Fund. Of the remaining FY18 surplus, at least 10% (\$30.805M) is constitutionally allocated to the unfunded accrued liabilities of the state employees' and teachers' retirement systems. Of the balance (\$200.235M), the bill allocates \$55M to the Coastal Protection and Restoration Fund, and the rest is constitutionally available for other enumerated debt payoff and capital outlay uses. The bill is effective upon the governor's signature, and these one-time transfers will presumably be recorded as FY19 transactions.

The bill also allocates \$12.927M of state general fund direct resources to various special funds: the Fiscal Administrator Revolving Loan Fund (\$450,000), the Utility and Carrier Inspections and Supervision Fund (\$2M), the Motor Fuels Underground Storage Tank Trust Fund (\$1.5M), the Higher Education Initiatives Fund (\$2M), the Voter Technology Fund (\$2.682M), the Oil and Gas Royalties Dispute Fund (\$0.895M), and the Overcollections Fund (\$3.4M). These monies are largely from the FY19 excess revenue forecast recognized at the 4/10/19 REC meeting, but specified allocations are from FY20 anticipated revenue {\$3.4M of contingent casino proceeds, and a portion of the allocation to the royalty dispute fund}.

Registration and license fees and taxes collected on trucks and trailers in Orleans, Jefferson, St. Charles, St. John the Baptist, Tangipahoa, and St. Tammany parishes (approximately \$13M, Highway Fund #2 receipts) are allocated to Highway Fund #2 (50%, approximately \$6.5M), to the recreated New Orleans Ferry Fund (expired 6/30/18, approximately \$1.1M), to the Transportation Trust Fund (50% of the balance, approximately \$2.7M), and to the newly created Regional Maintenance and Improvement Fund for the single year of FY20 (25% of the balance, approximately \$1.35M). These funds, in their entirety, are currently dedicated and this bill will reallocate these funds among dedications on an ongoing basis.

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}

John D. Carpenter
Legislative Fiscal Officer

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CONTINUED EXPLANATION from page one:

Continued Explanation of the Bill

Creates the Regional Maintenance and Improvement Fund for the single year of FY20 to receive 25% of registration and license fees and taxes collected on trucks and trailers in Jefferson Parish to support maintenance and improvements of state highways in that parish. The balance of collections are deposited into the Transportation Trust Fund. Portions of prestige license plate fees and donations are redirected to the newly created Hunters For the Hungry Escrow Account within the Conservation Fund.

Transfers from the state general fund are further detailed: Contingent upon enactment of HB 544, \$3.4M of land-based casino proceeds are to be transferred from the state general fund to the Overcollections Fund. The Oil and Gas Royalties Dispute Payment Fund is created to receive transfers from the state general fund of \$445,000 in FY19 and \$450,000 in FY20, with 50% of the Fund reserved for the Lafourche Parish School Board and the balance reserved for other eligible school boards.

Resources in the Voting Technology Fund and the Dept of Justice Debt Collection Fund are allowed to be used for general operating expenses of the activities of those funds and affected agencies.

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