



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 862** HLS 20RS 1325

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 4, 2020	11:51 AM	<b>Author:</b> GAROFALO
<b>Dept./Agy.:</b> Economic Development		
<b>Subject:</b> Business Recovery		<b>Analyst:</b> Rebecca Robinson

ECONOMIC DEVELOPMENT

OR INCREASE GF EX See Note

Provides for the COVID-19 Business Recovery and Growth Program

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Proposed legislation creates the Business Recovery and Growth Program ("the Program") within the Department of Economic Development (LED), utilizing federal funding from the CARES Act. The Program shall serve as the mechanism through which LED evaluates, financially assists, awards appropriations, grants or loans, engages in joint ventures, or provides incentives or inducements to qualified applicants. LED shall develop an award process and promulgate administrative rules and regulations to govern the award process.

Effective August 1, 2020.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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						

REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There will be an increase in SGF expenditures of LED to the extent appropriations are made for the purpose of implementing proposed legislation. LED would need to hire at least one additional staff member to administer the program at an annual cost of \$98,000 (salary + related benefits). LED would also need additional IT infrastructure to create an online portal for applications and for performance monitoring at an initial cost of \$83,125 and \$43,750 each subsequent year for maintenance. **NOTE: Per the LDE, federal funds from CORONAVIRUS Aid, Relief, and Economic Relief Fund (CARES) cannot be utilized for this purpose.**

REVENUE EXPLANATION

Funds from the CARES Act are awarded through a competitive grants process through the Economic Development Administration (EDA) within the Department of Commerce and there is no guarantee that Louisiana will receive funds. Per the Congressional Research Service Brief of April 2, 2020; projects must be consistent with the area's Comprehensive Economic Development Strategy (CEDs) or equivalent EDA-accepted regional economic development strategy. Through the CARES Act funding, LED would be required to use the funding for their own programs designed to assist businesses in Louisiana. The CARES Act funding cannot be passed on to businesses in Louisiana through an application process as described in this bill.

Senate	Dual Referral Rules	House	<i>Evan Brasseaux</i>
<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}	<b>Evan Brasseaux</b>
<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}	<b>Staff Director</b>