

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 471** SLS 20RS 600  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 5, 2020 7:30 AM	<b>Author:</b> MILLS, ROBERT
<b>Dept./Agy.:</b> Agriculture & Forestry; Insurance	<b>Analyst:</b> Patrice Thomas
<b>Subject:</b> LA Timber Transportation and Safety Act	

AUTOMOBILE INSURANCE OR INCREASE SG EX See Note Page 1 of 2  
 Provides for the Louisiana Timber Transportation and Safety Act. (8/1/20)

Proposed law provides tort damages or injuries which occurs after 01/01/2021 against timber transportation vehicle operated by a qualified timber transportation operators as follows: (1) limits personal injury claims against qualified timber transportation operators to \$500,000 plus interest and costs; (2) limits medical care, related benefits and lost wage damages to amount actually paid; and (3) limits attorney fees to 20% of the amount recovered. Proposed law creates the LA Timber Transportation and Safety Oversight Board that administers the newly created LA Timber Transportation and Safety Fund comprised of an annual surcharge levied on timber transportation operators determined by the Commissioner of Agriculture after consulting the board (surcharge collected by insurance companies and not required to be deposited into the state treasury). Proposed law provides a \$100 filing fee for mediation of claims against the fund filed with the Agriculture commissioner, which shall be used by Agriculture for the cost incurred in administering the claims process.

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<b>EXPENDITURES</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

  

<b>REVENUES</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Proposed law increases SGR expenditures within the Department of Insurance by at least \$60,000 and the Department of Agriculture and Forestry by an indeterminable amount. Proposed law creates the LA Timber Transportation and Safety Oversight Board and provides that the Commissioner of Agriculture or his designee serve as chairman of the board as well as that the Commissioner of Insurance appoint an actuary to serve on the board. The Department of Insurance reports expenditures of \$30,000 annually for a contract actuary to serve on the board and another \$30,000 annually for the first three fiscal years to contract with an actuary to assist the department in reviewing the annual surcharge filing required under this measure until staff within the department have gained sufficient knowledge to perform reviews independently.

Proposed law is anticipated to increase workload within the Department of Agriculture as this measure requires the Commissioner of Agriculture to administer the mediation process against the LA Timber Transportation and Safety Oversight Board and LA Timber Transportation and Safety Fund. The appropriate level of staff depends on the number of mediation claims filed, which is indeterminable. Proposed law authorizes a \$100 filing fee on each mediation claim per defendant filed to offset expenditures incurred by the Commissioner of Agriculture to administer the mediation claims process. To the extent that the filing fees do not cover expenditures related to implementing this measure, the Legislative Fiscal Office (LFO) assumes any potential shortfalls are to be paid from the SGF.

Proposed law provides that the LA Timber Transportation and Safety Oversight Board and the LA Timber Transportation and Safety Fund are private. Therefore, monies in the LA Timber Transportation and Safety Fund are not required to be deposited into the state treasury. All expenditures of the LA Timber Transportation and Safety Oversight Board will be paid from the LA Timber Transportation and Safety Fund. The fund and board shall not be entitled to an appropriation of SGF without a specific appropriation approved by the legislature.

Note: Proposed law requires the LA Community and Technical College System (LCTCS) to provide an instructor/facility member with expertise in safety education for commercial vehicles to serve on the board as a non-voting member in an advisory capacity. The LFO anticipates no impact on LCTCS as a result of this measure.

**REVENUE EXPLANATION**

Proposed law increases SGR within the Department of Agriculture and Forestry. Proposed law authorizes a \$100 filing fee on each mediation claim per defendant filed against the LA Timber Transportation and Safety Board and LA Timber Transportation and Safety Fund. Proposed law provides the filing fee is to offset expenditures incurred by the Commissioner

**REVENUE EXPLANATION CONTINUED ON PAGE TWO**

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

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**CONTINUED EXPLANATION from page one:**

**OVERVIEW CONTINUED FROM PAGE ONE**

Proposed law provides the following: (1) duties by the Commissioner of Agriculture in the mediation of claims process including selection of a mediator, which is before any action can be commenced in court; (2) duties of the mediator including the maximum hourly fee rate; and (3) powers and duties of the LA Timber Transportation and Safety Oversight Board and its membership. Proposed law provides that the LA Forestry Association and the LA Logger's Association may establish self-insured funds.

**REVENUE EXPLANATION CONTINUED FROM PAGE ONE**

of Agriculture in administering the mediation claims process. The exact amount of SGR generated by filing fees is indeterminable and dependent on the prospective number of mediation claims filed.

*NOTE: LDI currently generates SGR in excess of its operating budget authority and this amount is included as SGF revenue by the Revenue Estimating Conference (REC). The excess reverting to the SGF exceeds the amount necessary for the expenditures required under the proposed law. LDI could absorb the costs incurred by the proposed law with existing revenues but would require additional SGR budget authority in the General Appropriations Bill totaling \$60,000 in FYs 21 through 23, and \$30,000 in subsequent fiscal years. This would, in effect, reduce the SGF estimate by the REC on a dollar for dollar 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}

*Evan Brasseaux*

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Staff Director