

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 575** HLS 20RS 778

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 19, 2020	5:54 AM	Author: THOMPSON
Dept./Agy.: Statewide		Analyst: Alan M. Boxberger
Subject: Provides relative to security for deposit of funds		

FUNDS/FUNDING

EG NO IMPACT See Note

Page 1 of 1

Relative to security for deposit of funds

Present law requires state depositing authorities to require security for deposit of state funds into fiscal agent banks and provides for definitions. Proposed law expands the types of collateral that a state depositing authority may accept from a fiscal agent bank to include: 1) any obligation, security or investment that the state may invest in directly under R.S. 49:327, 2) state bonds, debentures, notes, or other indebtedness of a certain minimum credit rating issued by a state other than Louisiana or such state's political subdivisions, and 3) bonds, debentures, notes, or other indebtedness of a certain minimum credit rating issued by domestic U.S. corporations. Proposed law provides that notwithstanding any provision of law to the contrary, there shall be no duration limitation or restriction on the bonds used as security pursuant to present and proposed law.

EXPENDITURES	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

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 is no anticipated direct material effect on governmental expenditures as a result of this measure. Proposed law expands the types of instruments that may be required as collateral for deposit of state funds into a depository or fiscal agent bank. The Treasury reports that it has systems in place to handle the different types of collateral and can implement the provisions of proposed law with no additional budgetary or personnel resources.

REVENUE EXPLANATION

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

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