

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HCR 71** HLS 20RS 1581
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ SEN COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: May 29, 2020 12:37 PM	Author: SCHEXNAYDER
Dept./Agy.: State agencies and businesses	Analyst: Rebecca Robinson
Subject: Suspension of licensing fees	

LICENSING RE1 DECREASE SG RV See Note Page 1 of 1
 Authorizes and directs suspension of licensing fees imposed on businesses by state agencies and licensing boards

Proposed legislation authorizes and directs state agencies and licensing boards to suspend license renewals for the period July 1, 2020 through June 31, 2021 (for FY 21) that are imposed on existing businesses located in Louisiana as a part of a response to and way to help businesses reopen and recover from COVID-19. Excludes those state agencies and licensing boards that could operate for fewer than one and a half years on reserve funds.

Effective August 1, 2020.

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.	SEE BELOW					
Ded./Other	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	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.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Ded./Other	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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

There is no anticipated direct material effect on governmental expenditures as a result of this measure. While proposed law does not directly impact state or local governmental expenditures, it does eliminate the revenues used to support certain functions within certain state agencies and licensing boards.

REVENUE EXPLANATION

There will be an indeterminable decrease in revenues of licensing boards suspending licensing fees imposed on existing businesses in Louisiana. Per the Legislative Auditor's website, there are approximately 474 boards/commissions. The "Boards and Commissions Financials for State's FY 19 CAFR" submitted to by the Office of the Legislative Auditor lists 55 boards/commissions whose primary funding source is licensing fees (although the report is not inclusive of every board/commission that collects licensing fees). Of those 55, only 18 boards/commissions have reserves greater than 1.5 years of funds, which would be required to suspend their license renewal fees. It is unclear how many of these 18 collect licensing fees from businesses located in Louisiana and how many collect licensing fees from individuals only and how much is associated with new or renewal fees; thus, LFO cannot identify how much revenue would be suspended with this resolution.

It is not clear how the resolution will affect certain state agencies. Generally, state agencies operating expenses are appropriated annually based on anticipated self-generated, statutorily dedicated and other funds. While excess self-generated revenue collections would revert to the state general fund at the end of the fiscal year, revenue deposited into statutorily dedicated accounts remains in the fund at the end of the year for subsequent FY expenditures. It is unknown how many agencies have statutory dedications with fund balances that meet the one and a half year threshold. Additionally, state agencies are not included in the Legislative Auditor's report of boards and commissions financials; therefore it is unknown who would verify whether the agency meets the threshold.

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}

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