



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: HB 70 HLS 201ES 281
Bill Text Version: ORIGINAL
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: June 16, 2020 6:51 PM Author: JENKINS
Dept./Agy.: Revenue Analyst: Greg Albrecht
Subject: One-time Hazard Pay Rebate For Critical Workers

TAX/TAX REBATES OR INCREASE SD EX See Note Page 1 of 1

Extends Enterprise Zone Program incentives to essential critical infrastructure workers by authorizing the payment of a one-time hazard pay rebate (Item #18)

Proposed law provides a one-time \$250 hazard pay rebate to eligible essential critical infrastructure workers. Eligible workers are those employed in a healthcare, public health, first responder, or childcare provider sector job from March 11, 2020, who provided in-person services outside of their residences responding to or mitigating the Covid-19 emergency for at least 200 hours between March 22, 2020 and May 14, 2020. Eligible workers are further defined by the federal Cybersecurity & Infrastructure Agency, and whose adjusted gross income is no more than \$70,000. Applications for payment are to be made between July 15, 2020 and October 31, 2020. Up to \$50 million of payments are to be made from the Louisiana Main Street Recovery Fund. An additional \$25 million can be paid if monies are made available, and an additional \$25 million can be paid if approved by the JLCB.

Effective upon governor's signature.

Table with 7 columns: EXPENDITURES/REVENUES, 2020-21, 2021-22, 2022-23, 2023-24, 2024-25, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

While the potential eligible pool of workers (employed in a healthcare, public health, first responder, or childcare provider sector) is thousands of persons, the bill imposes qualifications on eligibility that make an estimate of actual eligibility exposure indeterminable (federal agency guidelines, minimum 200 hours of in-person and outside residence Covid-19 related work, and adjusted gross income no more than \$70,000 - individual or household unclear). Thus, no estimate of payments can be made.

However, the bill authorizes up to \$50 million of payments initially, with two additional \$25 million increments allowed if made available or approved by the JLCB. These payments are to be made from the Louisiana Main Street Recovery Fund; a special fund created by Act 311 of the 2020 Regular Session to receive \$300 million of federal monies pursuant to the federal CARES act from which grants to eligible businesses are to made. The payments to individuals provided by this bill would be an additional obligation of that Fund, but would not change the total obligation of the Fund.

The Dept. of Revenue, in consultation with the La Workforce Commission and Dept. of Economic Development, will determine applicant eligibility based on the conditions contained in the bill, and presents a list to the Board of Commerce & Industry for its approval. Payments are then to made by the state treasurer.

The Dept. of Revenue will incur costs to accept and process applications, and verify each applicant's eligibility for payment, as well as the Treasury to make payments to verified applicants. While no estimate of these costs has been made, they are possibly substantial in that several thousand applications may have to be verified for eligibility, and then payments made to those recipients.

REVENUE EXPLANATION

The bill adds an additional dedication (\$50 million or more of hazard payments to individuals) out of an existing dedication of \$300 million of funds. Total dedicated funds do not change, but the disposition of an existing dedication is changed to incorporate an additional dedication.

Senate Dual Referral Rules
[X] 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
[] 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
[X] 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}

Signature of John D. Carpenter
John D. Carpenter
Legislative Fiscal Officer