



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: **HB 70** HLS 201ES 281
Bill Text Version: **REENGROSSED**
Opp. Chamb. Action: **W/ SEN FLOOR AMD**
Proposed Amd.:
Sub. Bill For.:

Date: June 28, 2020	5:13 PM	Author: JENKINS
Dept./Agy.: Revenue		
Subject: One-time Hazard Pay Rebate For Critical Workers		Analyst: Greg Albrecht

TAX/TAX REBATES REF 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 list of occupations (including various medical and hospital support, in/out patient care facilities, childcare, emergency response, transportation, waste removal, grocery, fuel, convenience etc) from March 11, 2020, who provided in-person services 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 \$50,000. 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 Coronavirus Local Recovery Allocation Fund (\$25 million), and the Louisiana Main Street Recovery Fund (\$25 million). Additional rebates may be paid if monies are made available, and additional payments are approved by the JLCB. Information can be shared between the Revenue Dept and the Treasury, but Treasury must maintain confidentiality of the information. Effective upon governor's signature.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	\$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

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

While the potential eligible pool of workers, employed in the enumerated occupations 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 \$50,000 - individual or household unclear). Thus, no estimate of payments can be made.

However, the bill authorizes up to \$50 million of payments initially, with additional payments allowed if monies are made available and approved by the JLCB. These payments are to be made from the Coronavirus Local Recovery Allocation Fund (\$25 million), and the Louisiana Main Street Recovery Fund (\$25 million); special funds created by Act 311 of the 2020 Regular Session to receive \$511 million and \$300 million, respectively, of federal monies pursuant to the federal CARES act from which disbursements to local governments and eligible businesses are to made. The payments to individuals provided by this bill would be additional obligations of those Funds, but would not change the total obligations of those Funds.

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 estimates \$51,000 of costs to establish an online portal to accept and process applications and verify each applicant's adjusted gross income eligibility for payment. The Dept. anticipates sharing a data file with the Workforce Commission to verify employment eligibility. Potential costs of the Workforce Commission have not been assessed yet. LED expects minor costs associated with the required C&I Board approval. The Treasury anticipates having Chase Bank perform the check-writes with per check charges of 61¢/check plus \$5/file upload of recipient information. Since the bill does not provide for administrative costs to be paid from the dedicated funds, the fiscal note assumes these are state general fund costs.

REVENUE EXPLANATION

The bill adds an additional dedication (\$50 million or more of hazard payments to individuals) out of existing dedications of \$300 million (Coronavirus Local Recovery Allocation Fund) and \$511 million (Louisiana Main Street Recovery Fund). Total dedicated funds do not change, but the disposition of existing dedications are changed to incorporate an additional dedication.

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
Evan Brasseaux
Staff Director