

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



Fiscal Note On: **HB 27** HLS 202ES 55

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

**REVISED**

<b>Date:</b> October 5, 2020 6:27 PM	<b>Author:</b> ZERINGUE
<b>Dept./Agy.:</b> State Agencies	<b>Analyst:</b> Rebecca Robinson
<b>Subject:</b> Suspension of fees	

FEES/LICENSES/PERMITS OR DECREASE SG RV See Note Page 1 of 2  
Provides relative to fees charged to businesses by state agencies during a state of emergency (Items #2, 3, 32, and 35)

Proposed legislation exempts businesses located within a designated emergency area of any fee, including licensing fees, occupational fees, certification fees, or permitting fees, payable to any state agency. The fee exemption shall extend until one year after the termination of the state of emergency. The Joint Legislative Committee of the Budget (JLCB) may further extend the exemption. JLCB may also create an exception to the exemption or allow an extension of the due date for a certain fee upon a showing by the agency that such fee is necessary to fund the agency's operations.

Effective upon signature of the Governor.

<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.	INCREASE	INCREASE	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	DECREASE	DECREASE	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	DECREASE	DECREASE	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	DECREASE	DECREASE	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<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.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	DECREASE	DECREASE	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	DECREASE	DECREASE	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	DECREASE	DECREASE	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	DECREASE	DECREASE	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There will be an indeterminable decrease in the expenditures of certain state agencies as a result of the fee waivers. These fees are classified as self-generated revenues and/or are deposited into statutorily dedicated funds and are budgeted by agencies across state government to fund annual operating expenses, including oversight and administration of these impacted businesses. For some agencies these revenue sources constitute the majority of their operating budget, and they receive no state general fund support. For other agencies the percentage of their budget supported by these revenues is much smaller. Therefore, any reductions will have varying impacts on state agencies.

Note: Some agencies reported that IT costs may increase as a result of adjusting their computer processes and systems due to declared emergencies and exemptions. However, it is unlikely that these IT costs would be larger than the loss of self-generated revenue from the fee waivers, resulting in a net decrease in expenditures.

In order to maintain existing operations, agencies would require an appropriation from the state general fund or an alternate means of finance.

**REVENUE EXPLANATION**

There will be a significant decrease in the revenue of multiple state agencies as a result of the waiver of certain fees. The impact could range from no impact to the elimination of all fee revenue ordinarily collected and not subject to a specific exemption by JLCB. In addition, some agencies may lose federal funds without sufficient revenues to match grants.

**Note:** Some agencies already have processes in place to take into account declared states of emergencies and adjust their billing collections, offer payment plans, and often waive late fees for businesses located within the area of the declared emergency.

There are 21 executive branch departments that impose fees which may be impacted by this proposed legislation. The following is a sampling of the responses received by the LFO.

*Department of Public Safety:* \$81.5 M (Gaming \$79 M, of which \$26 M is for gaming enforcement, and the remainder to support other LSP programs; Office of the Fire Marshal \$1.1 M, or 5% of total appropriation; Liquified Petroleum Gas Commission \$1.1 M, or 100% of total appropriation)

**[CONTINUED ON PAGE 2]**

<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 checked="" 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}

**Christopher A. Keaton**  
**Legislative Fiscal Officer**

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**CONTINUED EXPLANATION from page one:**  
**REVENUE EXPLANATION CONTINUED FROM PAGE ONE**

*Department of Environmental Quality:* \$77 M, or approximately 56% of total appropriation

*Department of Natural Resources:* \$27 M, or approximately 54% of total appropriation

*Department of Agriculture & Forestry:* \$22 M (Agricultural Environmental Services \$12.1 M or 92% of total appropriation; Agriculture Consumer Services \$5.1 M or 60% of total appropriation)

*Department of Health & Hospitals:* \$10.6 M (includes inspection fees for hospitals at \$2.1 M and retail food inspections at \$5.3 M)

*Department of Insurance:* \$9.2 M in fees from resident insurance companies, or 25% of the total fee collection from insurance companies doing business in LA

*Public Service Commission:* \$9.2 M, or 100% of total appropriation

*Alcohol & Tobacco Control:* \$7.1 M, or 100% of total appropriation

*Department of Wildlife & Fisheries:* \$5.3 M; failure to collect fees would cease operations for the Seafood Promotion & Marketing Account, the Shrimp Marketing & Promotion Account, and the Crab Promotional Account; would also eliminate all programs related to alligators

**Note:** LDWF already anticipates requesting a significant increase in SGF in FY 22 due to the low balance of the Conservation Fund; this fee waiver will further decrease the balance of the fund by \$3.2 M

*Department of Education:* The department did not provide complete information by the time of this writing.

*Louisiana Racing Commission:* \$479,008, or 100% of total appropriation

*Secretary of State:* \$13.5 M in filing fees for corporations, LLCs, etc., and Uniform Commercial Code (UCC) filings (not including another \$6.4 M in original business filing fees)

**Note:** There will be a decrease in revenues to local Clerks of Courts' offices to the extent that this legislation allows waivers of UCC filing fees. UCC filings are initially filed with the Secretary of State's office and are then forwarded on to a Clerk of Court's office for filing in a particular parish.

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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