

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 72** HLS 202ES 26
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: October 6, 2020 7:43 AM **Author:** STEFANSKI
Dept./Agy.: Treasury **Analyst:** Alan M. Boxberger
Subject: Provides dedicated funding and requirements for Main St

FUNDS/FUNDING OR SEE FISC NOTE SD EX Page 1 of 1

Provides dedicated funding and requirements within the La. Main Street Recovery Program for certain establishments (Items #16, 17, 18, 19, and 20)

Present law establishes the Main Street Program and the La. Main Street Recovery Fund to award grants to eligible businesses impacted by COVID-19. Proposed law provides that \$25 M of the total La. Main Street Recovery Fund is to be awarded to eligible businesses operating as bars and provides for definitions. Proposed law further provides that, notwithstanding any provisions of law to the contrary, for awards granted pursuant to this measure the total award payment shall not be reduced by more than half for any Paycheck Protection Program funds, Economic Injury Disaster Loan Emergency Advance Funds, or business interruption insurance proceeds received by the bar. Proposed law provides that the treasurer may continue to process applications and award grants for pending non-bar applicants as of the effective date of this Act, but may not award any grants to business that are not bars if such award will impinge upon any remaining amount allocated by this Act for bars.

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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	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.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law provides that \$25 M of the Louisiana Main Street Recovery Fund shall be made available to businesses operating as bars in accordance with certain requirements and in accordance with most requirements specified in Act 311 of the 2020 Regular Session of the Louisiana Legislature. Monies in the fund currently provide for grants in amounts not to exceed \$15,000 to eligible businesses for costs incurred due to COVID-19. Businesses operating as bars can qualify under the provisions of present law, but this measure would stipulate a minimum of \$25 M to be distributed to this industry. The Main Street Recovery Program is administered by the State Treasurer and funded by an appropriation of \$260 M from the Coronavirus Aid, Relief & Economic Recovery (CARES) Act (plus an additional \$15 M provided for administrative costs of the La Department of the Treasury and the LA Legislative Auditor).

NOTE: The Department of Treasury reports that funds may not be available to satisfy the intent of proposed law upon enactment of this measure. The department reports that the Main Street Recovery Program is on track to utilize the full amount appropriated to satisfy all applications that have been submitted to date. If the program has successfully awarded more than \$235 M by the time proposed law may be enacted, a portion or all of the \$25 M allocation would be unavailable to provide grant awards to bars.

Proposed law provides that award payments to businesses operating as bars shall not be reduced by more than half for any Paycheck Protection Program funds, Economic Injury Disaster Loan Emergency Advance Funds, or business interruption insurance proceeds received by the bar. These provisions all prohibit businesses from participation in the Main Street Recovery Program under the auspices of Act 311 of 2020 R.S. To that end, proposed law will likely make certain businesses operating as bars that were previously ineligible for grants under present law eligible to receive monies from the program upon enactment.

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}

Christopher A. Keaton
Legislative Fiscal Officer