LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On:	**SB 75** SLS 202ES 105
Bill Text Version:	**ORIGINAL**
Opp. Chamb. Action:	
Proposed Amd.:	
Sub. Bill For.:	

Date: October 13, 2020 7:04 PM		**Author:** MILLIGAN	
Dept./Agy.: Attorney General/Secretary of State			
Subject: Transactions by the People's Republic of China		**Analyst:** Rebecca Robinson	

COMMERCIAL REGULATIONS   OR SEE FISC NOTE GF EX   Page 1 of 1

Provides relative to certain transactions involving investments by certain Chinese enterprises. (gov sig) (Item #28)

Proposed legislation provides that beginning on 12/1/20, the Attorney General (AG) must approve in writing, as a non-predatory transaction, any proposed or pending transaction that involves the purchase or lease by the People's Republic of China (PRC) or an enterprise, of any immovable property in the state, the establishment of a business, or the acquisition of an equity interest in a person registered to do business with this state. A transaction not approved by the AG shall be void. Also requires the PRC to submit written notice of the transaction to the Secretary of State (SOS), no later than 60 days prior to the completion date of the transaction. The Governor, Attorney General, Secretary of State, Secretary of the Louisiana Department of Health may inspect the immovable property, facility, or factory subject to the transaction.

Effective upon Governor's signature.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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						

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

There will be a workload increase to the Secretary of State and the Attorney General's Office; however, the extent of those potential adjustments and the ability of the agencies to absorb those expenses within their existing budget authority is indeterminable.

The SOS reports an estimated $8,000 expenditure in development costs to establish the reporting requirements in the proposed legislation. However, the SOS does not expect a high volume of transactions and indicates that the expenditure impact can be absorbed within its existing budget authority.

The AG reports an expenditure increase of $336,350 for half of FY 21 and approximately $700,000 each subsequent fiscal year. The AG indicated that they would need to hire an additional 3 attorneys and 3 investigators to handle the increased workload created by the proposed legislation. The AG anticipates the following expenditures: $604,000 in salary and related benefits; $9,000 in travel; $30,000 for operating services; $3,000 in office supplies; and $26,000 in one-time acquisitions. However, the AG reports that it is impossible to determine how many transactions or lawsuits the proposed legislation would entail. The LFO is also unable to determine the number of potential agreements/transactions that would require this type of oversight; and therefore cannot substantiate the proposed resource need cited by the AG.

The Office of the Governor reports no impact to their expenditures.

The Louisiana Department of Health had not responded to our request for information by the time of this writing.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate	Dual Referral Rules	House
☐ 13.5.1 >= $100,000 Annual Fiscal Cost {S & H}		☐ 6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}
☐ 13.5.2 >= $500,000 Annual Tax or Fee Change {S & H}		☐ 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger

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