

LEGISLATIVE FISCAL OFFICE
Fiscal Note



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

Date: October 14, 2020 11:58 AM **Author:** STEFANSKI
Dept./Agy.: Treasury **Analyst:** Alan M. Boxberger
Subject: Provides dedicated funding and requirements for Main St

FUNDS/FUNDING RE SEE FISC NOTE SD EX See Note 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 \$7.5 M of the total La. Main Street Recovery Fund is to be awarded to bars that, as of September 29, 2020, had filed an application with the recovery program. Proposed law provides for definitions. Proposed law further provides that, notwithstanding any provisions of law to the contrary, if the total amount of all monies provided for by this measure are not obligated by November 15, 2020, the remaining unobligated amounts shall be available for businesses that are not bars. 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. Proposed law provides that any bar that filed an application in connection with the recovery program that was disqualified shall be entitled to have its application reviewed for an award pursuant to proposed law.

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 \$7.5 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 \$7.5 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 unobligated 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. Including paid awards and the estimated value of applications received, the program has obligated \$288 M and ceased taking new applications. 13,135 grant applicants have been notified that funds may not be available to reimburse all qualifying applications. If the program has successfully awarded more than \$252.5 M by the time proposed law may be enacted, a portion or all of the \$7.5 M allocation would be unavailable to provide grant awards to bars.

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