



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **HB 622** HLS 21RS 122  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 27, 2021	5:17 PM	<b>Author:</b> THOMPSON
<b>Dept./Agy.:</b> Executive Office (Office of the Governor)		
<b>Subject:</b> Rural Development		<b>Analyst:</b> Monique Appeaning

RURAL/DEVELOPMENT OR INCREASE GF EX See Note Page 1 of 1  
 Provides relative to the office of rural development and the Rural Development Program

Proposed law adds the Governor’s Advisory Council on Rural Revitalization, the Office of Broadband and Connectivity, and the Department of Economic Development to present law for agencies and programs that are designed to address rural needs. Proposed law adds “broadband connectivity, and water quality and treatment” to the definition of “rural development and revitalization.” Proposed law re-establishes the Rural Development Fund. The fund shall be used solely to fund projects developed and coordinated jointly by the Office of Rural Development and the Department of Transportation and Development in rural areas of the state and for the administration and implementation of proposed law. Proposed law provides that the program shall be administered by the Office of Rural Development; adopt rules and regulations governing the use of the fund, any program or funding actions that it implements prior to the initiation of the program or funding action.

<b>EXPENDITURES</b>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u><b>\$0</b></u>
<b>Annual Total</b>						
<b>REVENUES</b>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u><b>\$0</b></u>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

Proposed law will result in an increase in SGF expenditures of up to approximately \$436,526 by the Executive Office (Office of the Governor) to re-establish the Office of Rural Development. The Governor’s Office reports that four (4) positions are required to provide support to the Office of Rural Development. The positions consist of an Executive Director position with a salary of \$90,000 and related benefits of \$44,815, two (2) program manager positions each with a salary of \$50,000 and related benefits of \$28,195, and an administrative assistant position with a salary of \$45,000 and related benefits of \$26,118. Operation expenditures totaling \$21,500 provide for travel, supplies, and operating services. Also, professional services for consultant fees of \$45,000 and \$7,700 for equipment (for annual leasing of equipment). The total is \$436,526. The agency projects the same for the out-years expenditures. The LFO cannot corroborate that the workload necessitated by this measure will require the number of personnel detailed by the Governor’s Office. To the extent the workload may be less than estimated, the number of personnel and total expenditures may decrease accordingly.

Creating a new statutory dedication within the state treasury will result in a marginal workload increase for the Department of Treasury, which can generally be absorbed within existing resources. However, to the extent other legislative instruments create new statutory dedications, there may be additional material costs associated with the aggregate effort to administer these funds. The Treasury performs fund accounting, financial reporting, banking, and custodial functions for 404 special funds. When unable to absorb additional workload with existing resources, the Treasury anticipates that it will be required to add one T.O. position at a total personnel services cost of approximately \$71,000 plus approximately \$2,450 for a one-time purchase of office equipment. These expenditures are assumed to be SGF in this fiscal note.

**REVENUE EXPLANATION**

Proposed law re-establishes the Rural Development Fund to receive monies from the sale of general obligation bonds of the state - issued pursuant present law. Proceeds are to be used for the constitutionally permissible purposes of making capital improvements, providing relief from natural catastrophes, or for the matching of federal funds received for such purposes.

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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