



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 155** HLS 23RS 100
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action: **w/ SEN COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: May 30, 2023	8:11 AM	Author: BUTLER
Dept./Agy.: Treasury/State Bond Commission		
Subject: Louisiana Rural Infrastructure Revolving Loan Program		Analyst: Kimberly Fruge

CAPITAL OUTLAY EG1 INCREASE SD EX See Note Page 1 of 1
 Establishes the Louisiana Rural Infrastructure Revolving Loan Program to provide financial assistance to local governments and political subdivisions for certain capital infrastructure projects
 Proposed law establishes the Louisiana Rural Infrastructure Revolving Loan Program and Fund to provide financial assistance for eligible infrastructure projects of local governments.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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						

EXPENDITURE EXPLANATION

Proposed law will result in an indeterminable, but potentially significant, increase in state expenditures to implement the Louisiana Rural Infrastructure Revolving Loan Program. Proposed law creates the Louisiana Rural Infrastructure Revolving Loan Program and Fund to provide financial assistance for eligible infrastructure projects of local governments.

The Treasury reports that the costs to implement the program are indeterminable at this time. Proposed law allows the Treasury to promulgate rules to establish fees to pay for the costs of administering the program. The LFO anticipates the fund may require an initial SFG appropriation to start the program. The department anticipates it may need to hire consultants with expertise in underwriting, legal, and project eligibility to establish the program and loan criteria. Upon promulgating rules, the department anticipates it will need one T.O. position -- State Treasury Debt Officer - \$105,000 for salary and related benefits -- to administer the program and provide technical assistance. Without the position, the Treasury may be required to utilize an outside firm to provide assistance on an individual project basis. Such costs are indeterminable at this time. The LFO assumes any fees collected would be deposited into the fund and administrative fees would be drawn from the fund.

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 436 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 \$78,000 plus approximately \$2,450 for a one-time purchase of new office equipment. These expenditures are assumed to be SGR in this fiscal note.

The Louisiana Legislative Auditor's (LLA) office is unable to determine the potential costs they will incur to review applications as the total number of applicants and the condition of submitted data to review is unknown at this time. The LLA estimates it will take approximately three hours to review each application. The LLA may bill its services at \$120 per hour, an estimated total of \$360 per application.

REVENUE EXPLANATION

Proposed law will result in an indeterminable increase in SGR. Proposed law allows the Treasury to promulgate rules to establish fees to pay for costs of administering the program. Revenues for the Treasury will depend on the fees set and the number of applications received, which are both indeterminable at this time. The LLA may bill its services at \$120 per hour. Proposed law also creates the Louisiana Rural Infrastructure Revolving Loan Program but does not provide for any revenues into the fund. To the extent funds are appropriated to the fund or loan repayment is made to the fund, statutory dedication revenues will increase accordingly.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" 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 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}

Evan Brasseaux

Evan Brasseaux
 Interim Deputy Fiscal Officer