

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 17** HLS 242ES 46

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: February 20, 2024 8:03 AM	Author: MCFARLAND
Dept./Agy.: Attorney General/Treasury	Analyst: Deborah Vivien
Subject: Increases mandated balance of DOJ Legal Support Fund	

FUNDS/FUNDING OR INCREASE SD RV See Note Page 1 of 1
Provides relative to the Department of Justice Legal Support Fund

Current law provides that the Department of Justice Legal Support fund contains proceeds recovered by the attorney general on behalf of the state from court judgments, settlements, fines, fees, forfeitures and penalties (with certain exceptions). On July 1, the Treasurer deposits up to \$10 M into the fund with the remainder transferring to the state general fund as non-recurring revenue. When funds are received during the fiscal year, the attorney general is to immediately notify the state treasurer, the Joint Legislative Committee on the Budget and the commissioner of administration. The fund may be utilized by the Department of Justice for expenses incurred in providing legal representation for the state.

Proposed law retains current law and increases the unencumbered balance of the fund from \$10 M to \$20 M beginning July 1, 2024.
Effective upon signature

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	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

REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION
Through a potential increased deposit to the DOJ Legal Support Fund when judgment proceeds are sufficient, the bill makes up to \$10 M in additional recurring revenue available for use by the Department of Justice. The bill does not mandate an appropriation.

The bill may result in a loss of nonrecurring surplus SGF of up to \$10 M that could otherwise be utilized for one of the six constitutionally authorized purposes as detailed in LA Const. Art. VII, §10(D)(2) that may now be utilized for presumably recurring expenses within the DOJ.

Due to the uncertainty of finalization of future legal actions, total collections cannot be determined with accuracy. In years in which legal proceeds do not meet the \$20 M threshold, additional funds may be required if the fund was supporting recurring expenses.

REVENUE EXPLANATION
The bill transfers up to \$10 M in existing revenue between means of finance if the funds materialize from eligible proceeds related to legal actions undertaken by DOJ. The maximum exposure from the bill is \$10 M annually, which is the increase to \$20 M from the \$10 M fund balance threshold in current law.

Currently, DOJ is authorized to retain up to \$10 M from legal proceeds. This bill will allow DOJ to retain up to an additional \$10 M, depending on actual collections. Currently, the additional \$10 M would be considered non-recurring revenue and be subject to spending limitations. This bill would allow these funds to be spent as recurring revenue by the DOJ.

The Attorney General reports the following collections over the last three years:
 FY 21 \$ 8,341,723
 FY 22 \$33,929,444
 FY 23 \$32,479,443

Eligible legal proceeds over \$20 M and under \$10 M will be deposited in the same manner as current law. The fiscal note assumes that notification and classification of eligible proceeds is timely and accurate.

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| <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} |

Alan M. Boxberger
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