
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Riley Boudreaux.

DIGEST

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SR No. 110 15

Present Senate Rule [No. 9.1] contains the constitutional requirement that constitutional amendments be prefiled no later than 10 days before the beginning of a regular session, and that bills relative to retirement be prefiled 45 days prior to a regular session.

Proposed Senate Rule requires any legislative instrument which is likely to cause a net decrease in taxes, fees, charges or other revenue of the state of \$10 million or more in any one of the 5 ensuing fiscal years from its effective date to be filed on or before January 15th with the report required below attached.

Proposed Senate Rule requires any legislative instrument which is likely to cause a net decrease in taxes, fees, charges or other revenue of the state of \$10 million or more in any one of the 5 ensuing fiscal years from its effective date to be filed with a report prepared by the author of the instrument, or by a proponent of the instrument on the author's behalf, relative to the economic effects of the enactment of the legislative instrument.

The LFO with the assistance of the Department of Revenue [DOR] is required to review the report and prepare a "revenue loss note" which sets forth a brief and concise summary of the results of its review of the economic effects report.

The "revenue loss note" must be attached to any legislative instrument which produces a net decrease in state revenues of \$10 million or more in any one of the 5 ensuing fiscal years from its effective date prior to its consideration by any committee of the Senate, unless the committee otherwise decides, and prior to its consideration on final passage by the Senate. In addition, the President of the Senate, the Secretary, or any Senator may offer a motion at any time that a legislative instrument requiring the revenue loss note without such a note attached be deferred until the preparation of such revenue loss note.

However, the proposed Senate Rule provides that the preparation of a revenue loss note by the LFO for an instrument not prefiled as required in the proposed Senate Rule, or for an instrument filed without the report required by the proposed Senate Rule attached, must not take precedence over the preparation of any fiscal note or revenue loss note of an instrument properly prefiled with the report attached. The preparation of such revenue loss note may take place after the conclusion of the session in which the legislative instrument was introduced.

Proposed Senate Rule requires the economic effects report attached to the instrument to contain the following:

- (1) The total decrease in taxes, fees, charges or other revenue estimated over the 5 ensuing

fiscal years from the instrument's effective date.

- (2) The state's revenue loss ratio; that is, the amount of money to be gained by the state compared to the cost of the benefit granted.
- (3) The effect on household earnings, employment, and value added in Louisiana.
- (4) An indication of which beneficial economic actions will be incentivized by the instrument.
- (5) Data indicating whether the same or similar instruments have been enacted in other states or territories of the United States or other nations.
- (6) The methodology and assumptions utilized to produce the information in the report.

The LFO's review of the economic effects report attached to the instrument must encompass all aspects of the report including, but not limited to the following:

- (1) The reasonableness of the revenue loss estimates.
- (2) A reference to the legislative fiscal office's estimate of the state's revenue loss expected from the enactment of the legislative instrument in the fiscal note prepared for the instrument.
- (3) The validity, credibility, or reasonableness of the information in the report or the methodology and assumptions utilized to produce the information, or questions raised by such information, assumptions, or methodology.
- (4) Whether the actions being incentivized are already occurring without the enactment of the instrument.
- (5) A report and review by the Department of Revenue of the data in the report and from other sources as to whether the same or similar instruments have been enacted in other states or territories of the United States or other nations.
- (6) Any other information not included in the report which may have a bearing on the question of whether the legislative instrument should be enacted.

(Amends Senate Rule Nos. 9.1(A) and 13.95(A); adds Senate Rule No. 7.14.1)