

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 550** HLS 13RS 599
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 1, 2013 5:03 PM	Author: THIERRY
Dept./Agy.: LA Housing Corporation	Analyst: Travis McIlwain
Subject: My Safe LA Home Program	

FUNDS/FUNDING OR -\$1,000,000 GF RV See Note Page 1 of 1

Creates the My Safe Louisiana Home Program within the Louisiana Housing Corporation and provides for funding of the program

Proposed law establishes within the LA Housing Corporation the My Safe LA Home Program and the My Safe LA Home Program Fund. Proposed law provides for the monies in the fund to provide for operating expenses of the program, provide for free home-retrofit inspections of site-built, single-family, residential property throughout the state to determine what mitigation measures are needed, to provide grants to encourage single-family, site-built, owner-occupied, residential property owners insured by LA Citizens Property Insurance Corporation to retrofit their properties to make them less vulnerable to hurricane damage. Proposed law provides for the LA Housing Corporation to promulgate rules. Effective July 1, 2014.

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$4,000,000
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>	\$0
Annual Total	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$4,000,000

REVENUES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$4,000,000)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$4,000,000
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>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The proposed legislation will result in an increase in state expenditures in the amount of \$1 million annually by the LA Housing Corporation. This bill creates the My Safe Louisiana Home Program within the LA Housing Corporation and provides for the Corporation for fiscal accountability, contract management and strategic leadership for the program. In addition, this bill creates a new statutory dedication that will fund the operating expenses of the program, provide free home-retrofit inspections of site-built, single family, residential property throughout the state, provide grants to encourage single-family, site-built, owner-occupied, residential property owners insured by Citizens.

The LA Housing Corporations indicates a need for 5 FTEs and annual expenditures of approximately \$350,000. The positions include: Housing Finance Manager, Housing Finance Specialist, Housing Finance Compliance Monitor and support personnel. However, due to the program's funding being limited to \$1 million, it is unlikely there would be a significant number clients/applicants needing monitoring.

The Legislative Fiscal Office is unable to corroborate any increase workload demands that may be necessary as a result of the proposed law due to the inability to determine the number units and clients that would benefit from this \$1 million program and any increased workload may be scalable and current LA Housing Corporation resources may be able to handle the increase. However, the potential need for positions for this program ultimately depends upon the number of units needing monitoring.

For **illustrative purposes**, to the extent the average program applicant is granted \$15,000 for mitigation repairs, there would be a total of approximately 67 units within this program needing monitoring if all administrative costs associated with this program are absorbed with existing resources.

NOTE: The proposed legislation provides for the My Safe Louisiana Home Program to be subject to annual legislative appropriations. The LA Housing Corporation is an off-budget quasi-governmental entity that is not included within the General Appropriations Bill and not subject to annual legislative appropriations. This bill creates this program and provides for the Corporation to administer.

REVENUE EXPLANATION

This bill creates a state general fund dedication that annually flows into the My Safe LA Home Program Fund in the amount of \$1 million. This bill provides for the amount of either: the difference between the assessments paid to Citizens Property Insurance and tax credit claimed pursuant to R.S. 47:6025, or \$1 million. According to LA Citizens, taxpayers annually pay approximately \$100 million in assessments and surcharges, while only 50% of that amount is actually reimbursed annually through the LA Citizens tax credit. The 50% of tax credit claimed is currently built into the current adopted revenue forecast.

<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) >= \$500,000 Annual Fiscal Cost {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}	

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