

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 112** SLS 14RS 515
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 25, 2014 1:27 PM	Author: THOMPSON, F
Dept./Agy.: Division of Administration (DOA)	Analyst: Travis McIlwain
Subject: LA meat procurement preference	

PROCUREMENT CODE OR SEE FISC NOTE Page 1 of 1
 Provides relative to a product preference for certain meat products in Louisiana. (gov sig)

Current law (Title 38 & Title 39) provides for preference for certain products produced and manufactured in Louisiana including meat and meat products processed in Louisiana from animals that are alive at the time they enter the processing plant. Proposed law provides instead that the meat be processed in Louisiana from animals that originated in Louisiana with traceability documentation supplied by the manufacturer. Effective upon governor's signature.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						
REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
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	<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

Proposed legislation may result in an indeterminable decrease in overall state and local governmental expenditures. This bill modifies the current preference granted for Louisiana meat and meat products. Current law provides that preference shall be granted to meat and meat products processed in Louisiana from animals that are alive at the time they enter the processing plant. This bill expands the preference to provide preference to Louisiana meat and meat products from animals that originated in Louisiana but processed out of state. This opens the preference to out-of-state meat processors who utilize Louisiana animals. Due to this bill expanding the preference, which results in an expanded vendor pool, this bill may result in a decrease in costs due to increase in competition.

Current law (R.S. 39:1595(D) & R.S. 38:2251(D)) contains a 7% preference (cost of item does not exceed cost of other bidders by 7%) for meat and meat products. This bill does not amend this section of law.

For purposes of simplicity, the potential impact of this legislation is reflected above as SGF but may ultimately impact other means of finance.

Note: The Division of Administration has not responded to the LFO request for information dated March 5, 2014.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

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|---|----------------------------|--|---|
| Senate | <u>Dual Referral Rules</u> | House | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {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
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