

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 833** HLS 14RS 1048

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 31, 2014 11:15 AM	Author: FOIL
Dept./Agy.: Health and Hospitals	Analyst: Patrice Thomas
Subject: Louisiana ABLE Act	

EXCEPTIONAL PERSONS

EG INCREASE GF EX See Note

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Creates the ABLE Account savings program for persons with significant disabilities

Proposed law shall be known as the "Achieving a Better Life Experience in Louisiana Act" or "Louisiana ABLE Act." Proposed law creates the ABLE Account Program, to be administered by the ABLE Account Authority, to encourage and assist individuals and families in saving private funds to pay qualified disability expenses (tax-free savings accounts for individuals with disabilities). The proposed law provides ABLE funds will supplement but not replace benefits provided through private insurance, Medicaid, Social Security, employment, and other income sources, allowing families with sons or daughters with significant disabilities a means to provide for extra costs associated with every day activities and community participation. Proposed law defines "qualified disability expense". Proposed law provides that the program be treated as a qualified tuition program and the accounts provided for in the Louisiana Student Tuition Assistance and Revenue Trust ("START") program. Proposed law places the ABLE Account Authority within DHH. Proposed law provides for members of the ABLE Account Authority and the promulgation of rules by the authority. Proposed law contingent upon authorizing amendment of the IRS

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

EXPENDITURE EXPLANATION

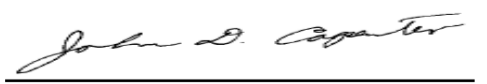
This proposed legislation will increase state expenditures by a nominal amount as a result of per diem and travel expense reimbursement associated with meetings of the ABLE Account Authority. The proposed legislation creates the ABLE Account Program and the ABLE Account Authority within the Department of Health and Hospitals (DHH). The ABLE Account Program is a savings plan for people with disabilities similar to a college savings plan. The funds in the savings plan must be used for disability related expenses. The ABLE Account Authority will administer the ABLE Account Program with a commission represented by 28 members of the LA Developmental Disabilities Council and one member of the following organizations: LA Rehabilitation Services, LA Bankers' Association, House of Representative, Senate, and State Treasurer (ex-officio voting member).

According to DHH, the ABLE Account Program and ABLE Account Authority will be placed within the Office for Citizens' with Developmental Disabilities (OCDD). To administer the ABLE Account Program, an existing Program Manager position will dedicate a portion of their time performing duties on behalf of the authority. Therefore, this legislation will not increase staff expenses within the department. In addition, the proposed legislation requires the ABLE Account Authority to meet at least annually. The Legislative Fiscal Office anticipates an indeterminable amount of state expenditures associated with some members of the ABLE Account Authority receiving per diem and travel expense reimbursement depending the frequency of meetings.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. In accordance with R.S. 47:293(9)(a)(vi), START account holders can exempt up to \$2,400 (\$4,800 if filing jointly) per beneficiary from taxable income. A taxpayer who donates to a START account may exempt \$4,800 (\$9,600 if filing jointly) from taxable income. The proposed legislation provides that the ABLE Account Program shall be treated in the same manner as the Louisiana Student Tuition Assistance and Revenue Trust (START) Program.

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <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} |


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Legislative Fiscal Officer