



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 614** SLS 14RS 1419
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 21, 2014 9:03 AM	Author: LAFLEUR
Dept./Agy.: LA Property Assistance Agency (LPAA)	Analyst: Travis McIlwain
Subject: Electronic Devices	

PUBLIC PROPERTY OR DECREASE SG RV See Note Page 1 of 1
 Provides for the transfer of electronic devices to certain nonprofit entities. (8/1/14)

Proposed bill allows prior to the sale of surplus electronic devices, the state or any board, commission, department or agency of the state or any political subdivision of the state may transfer surplus electronic devices to a nonprofit entity that is certified by R-2 Solutions or the e-Stewards Initiative. Proposed bill requires the nonprofit entity to pick-up and erase the hard drives or memory of the electronic device to certified standards. Proposed bill further requires the nonprofit entity to ensure environmental protection of the electronic device by a responsible recycling process that guarantees the electronic device will not be disposed of in a sanitary landfill or solid waste disposal facility.

EXPENDITURES	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

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.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. To the extent a state agency transfers electronic devices to a nonprofit entity as opposed to the LPAA, there may be a workload decrease. However, such a decrease would likely be minimal as LPAA would still be incurring the cost of transporting and processing other surplus property (desk, chairs, filing cabinets, etc.) from various state agencies.

REVENUE EXPLANATION

This legislation could result in a decrease in self-generated revenues to the LPAA and the selling state agency. Typically, if the original source of funds utilized to purchase the product was non-SGF, the LPAA receives 20% of the auction proceeds, while the originating department receives 80% of the auction proceeds. If the property was purchased with SGF, the LPAA receives the full amount generated from the auction.

This legislation authorizes but does not require that the state transfer surplus electronic devices to a nonprofit entity. However, to the extent all surplus electronic devices are transferred to the nonprofit entity as a result of this bill, the DOA estimates the total revenue loss would be at least \$950,000. In FY 13 LPAA generated \$925,363 in total revenue collections from electronic device sales.

As a result of this bill, the revenues from the sale of the electronic devices would no longer accrue to the state, but would accrue to the nonprofit entity in exchange for performing certain services. Pursuant to the proposed legislation, those services include picking up the devices and erasing the hard drive in order to ensure personal privacy protection.

NOTE: According to the DOA, any surplus property purchased with federal funds would have to be exempt from the donation process in order for agencies to remain in compliance with regulations regarding donation of purchased property. Also, according to the DOA a portion of the surplus sales from non-state entities (city, parish, local governments) will have to be exempt from the bill as the LPAA does not have the authority to donate items received from these entities.

The legislation is silent as to how the value of the electronic devices will be determined. Examples of an electronic device include: computers, copying machines, scanners, printers, TV, radio, telephone, etc.

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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 checked="" 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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