

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 118** SLS 14RS 89

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 2, 2014	9:16 AM	Author: DORSEY-COLOMB
Dept./Agy.: State Treasury		Analyst: Travis McIlwain
Subject: Fiscal Administrator Revolving Loan Fund		

FUNDS/FUNDING

EN SEE FISC NOTE LF RV See Note

Page 1 of 1

Establishes the Fiscal Administrator Revolving Loan Fund as a special fund in the state treasury and provides relative to the fund. (gov sig)

Proposed bill creates the Fiscal Administrator Revolving Loan Fund within the state treasury. Proposed bill provides for any political subdivision for which a fiscal administrator is in the process of being appointed or has been appointed is authorized to borrow money from the incurred, debt payable to the fund subject to the approval of the legislative auditor, attorney general, state treasurer, fiscal administrator, district court, and the state bond commission. Proposed bill provides for monies in the fund to be appropriated only for the purpose of providing financial assistance to a political subdivision for which a court has appointed a fiscal administrator including all costs and expenses incurred by the fiscal administrator, the legislative auditor, the attorney general, and the state treasurer. Proposed bill provides for the repayment of principal and interest on loan shall be deposited into the fund and may be used to finance loans and obligations to other political subdivisions for which a fiscal administrator is appointed. Effective upon governor's signature.

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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on state governmental expenditures as a result of this measure. Creating a new statutory dedication within the state treasury will result in a marginal additional workload for the agency, which can be absorbed with existing resources. However, to the extent other legislative instruments create new statutory dedications, there may be material additional costs associated with the aggregate effort to administer these funds.

In addition to providing financial assistance to a political subdivision, this bill provides for any costs incurred by fiscal administrator, legislative auditor, attorney general, state treasurer relative to this revolving loan program is an allowable expenditure of the fund. Based upon information provided by the LA Legislative Auditor, one fiscal administrator could cost \$125,000 for approximately 1,000 hours of billed work.

REVENUE EXPLANATION

The proposed legislation creates a new statutory dedicated fund within the state treasury, but does not provide for an originating revenue source. To the extent an originating revenue flow is identified, ongoing principle and interest repayments will provide revenue flows deposited into the fund, which will allow any local governmental entity with an assigned fiscal administrator to borrow money from the fund.

NOTE: This bill provides for the approval of the legislative auditor, attorney general, state treasurer, fiscal administrator, district court, state bond commission before a local governmental entity assigned a fiscal administrator can borrow funds from the newly created Fiscal Administrator Revolving Loan Fund.

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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} |


John D. Carpenter
Legislative Fiscal Officer