

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 136** SLS 16RS 260
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 11, 2016 4:59 PM	Author: WARD
Dept./Agy.: Attorney General	Analyst: Matthew LaBruyere
Subject: Special Attorneys	

JUSTICE DEPARTMENT OR INCREASE GF EX See Note Page 1 of 1
 Provides relative to the employment of special attorneys or counsel. (gov sig)

Present law provides that the attorney general, or any state agency, board, or commission, not including any public postsecondary education institution, cannot incur fees for legal services in excess of the greater of (1) \$500 per hour per person or (2) the maximum rate approved by the Attorney Fee Review Board. Proposed law changes the limitation to \$1,000 per hour per person. Present law exempts the proceeds of court-awarded judgments and settlements involving the Department of Natural Resources as specified in R.S. 30:136.3(B)(1) and any judgments, settlements, or recoveries which are designated for credit to the Hazardous Waste Site Cleanup Fund, the Environmental Trust Fund, or any other funds administered by the Department of Environmental Quality under the Environmental Quality Act from being deposited into the Department of Justice Legal Support Fund. Proposed law repeals present law.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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						

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	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

The proposed legislation will result in an increase in state general fund expenditures and decrease in statutory dedicated expenditures for the Departments of Environmental Quality and Natural Resources as a result of removing the exemption of depositing settlement proceeds into certain agency statutory dedications instead of into the Department of Justice (DOJ) Legal Support Fund. To the extent DNR and DEQ cannot identify other resources within their respective agencies to continue operating functions funded by statutory dedications, state general fund will be needed.

According to DNR, removing the exemption for depositing settlement proceeds into the Mineral and Energy Operation Fund would result in an annual revenue decrease of \$1.6 M. The revenue received through settlements is used for the day-to-day operations of the Office of Mineral Revenue. To the extent \$1.6 M in funding is no longer available, the department will reduce personnel expenses by \$1.28 M and 20 positions, professional services by \$110,000 (legal), IAT expenditures by \$100,000, other charges and operating expenses by \$105,000.

According to DEQ, removing the exemption for depositing settlement proceeds into the Hazardous Waste Site Cleanup Fund and other funds administered by the Department would result in an average revenue decrease of \$3.8 M. Settlements deposited into the Hazardous Waste Site Cleanup Fund are used by DEQ to remediate waste sites. Sites are added annually and any settlement deposits received by the department are used for cleanup expenses related to the sites.

The proposed legislation may increase state general fund expenditures as a result of increasing the maximum special attorney rate from \$500 per hour to \$1,000 per hour. To the extent any agency, board or commission is hires outside counsel that has an hourly rate over \$500, expenses will increase. The increase is indeterminable since it is unknown how many agencies will hire outside counsel that will have an an hourly rate above \$500 and how many hours will be billed to an agency.

REVENUE EXPLANATION

The proposed legislation will rededicate legal settlements that are currently deposited into the Mineral and Energy Operation Fund, Hazardous Waste Site Cleanup Fund and other funds administered by the Department of Environmental Quality as well as settlements involving the Department of Transportation and Development into the DOJ Legal Support Fund. Based on historical settlements from the Hazardous Waste Site Cleanup Fund and the Mineral and Energy Operations Fund, approximately \$5.4 M would be deposited into the Legal Support Fund instead of the funds mentioned in current law.

Senate Dual Referral Rules House

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| <input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {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
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Legislative Fiscal Officer