

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 35** SLS 16RS 90

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 19, 2016 10:50 AM	Author: GATTI
Dept./Agy.: Public Safety/State Police	Analyst: Willis Brewer
Subject: Requires insurance for persons handling explosives	

INSURANCE POLICIES EG SEE FISC NOTE GF EX Page 1 of 1
Requires insurance for persons handling explosives (8/1/16).

Present law provides for the requirements of a manufacturer, dealer-distributor, user, blaster, or handler of explosives to obtain a state-issued license.

Proposed law adds to present law the requirement of proof of a \$50 million liability insurance policy to cover damage caused by blast waves, blast wind, fire, fragmentation, open burning, secondary fragmentation shockwaves and stress waves as a condition of issuance of a license when the applicant is in control of demilitarized explosives, propellants, and recycled bomb materials in excess of one-half million pounds or more.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	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	<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	\$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>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

It is anticipated that this measure will require Louisiana State Police (LSP) to modify its existing LSP Explosive Licensing database in order to track insurance policy information and insurance policy expirations. The department estimates an IT Applications Programmer Analyst can accomplish this additional requirement by working 40 hours at a cost of roughly \$1,300 (40 OT hours x \$32 hourly rate = \$1,280 plus \$19 for medicare expenses). The Legislative Fiscal Office believes that any additional IT work associated with this legislation will be incremental in nature, and that the department can accomplish these tasks utilizing existing resources and budget authority.

The required proof of \$50 million of liability insurance may reduce the number of available applicants that otherwise would have been qualified to enter into a contract with the State and perform these services. Additionally, this measure may require eligible applicants to increase their estimated costs to the State in order to carry this level of liability insurance.

REVENUE EXPLANATION

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

- | | | |
|---|--|--------------|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input 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} | |

Evan Brasseaux

Evan Brasseaux
Staff Director