

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 141** HLS 22RS 436

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | |
|---|-----------------------------------|
| Date: March 17, 2022 9:28 AM | Author: MCCORMICK |
| Dept./Agy.: Statewide | Analyst: Monique Appeaning |
| Subject: Prohibit Certain Public Contracts (Fossil Fuel) | |

CONTRACTS OR NO IMPACT See Note Page 1 of 1
Prohibits certain public contracts with companies that boycott fossil fuel companies

Proposed law prohibits certain contracts with companies that boycott fossil fuel companies, but provides for certain exceptions. Proposed law defines "boycott fossil fuel company" as, without an ordinary business purpose, refuse to deal with, terminate business activities with, or otherwise take any action that is intended to penalize, inflict economic harm on, or limit commercial relations with, a company because the company: engages in exploration, production, transportation, sale, or manufacture of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or does business with a company describe by proposed law. Proposed law defines "company" as a for-profit organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or associations, that exists to make a profit. Proposed law provides that "company" does not mean a sole proprietorship. Proposed law applies to any certain contracts with a value of \$100,000 or more.

| EXPENDITURES | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 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 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 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 |

EXPENDITURE EXPLANATION

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

Proposed law will not materially impact the expenditures of the Division of Administration Office of State Procurement (DOA-OSP) to implement. The DOA-OSP reports that the operational impact of this bill translates to a negligible effort for them. Given there are currently no known contract-holders affected, nor extensive implementation, the cost will be small and absorbable.

Proposed law will not impact the expenditures of the Department of Natural Resources (DNR). DNR reports that there is no way to effectively determine which companies may boycott fossil fuel companies, so the impact is indeterminable. It is not likely based on DNR's current contracting vendors that this bill would have an impact on DNR.

Proposed law will not impact the expenditures of the Department of Transportation and Development (DOTD). DOTD reports they do not anticipate a direct expenditure impact associated with the passage of this bill.

REVENUE EXPLANATION

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

Senate
Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
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Interim Deputy Fiscal Officer