



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: HB 693 HLS 15RS 837
Bill Text Version: ORIGINAL
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: April 24, 2015 12:20 PM Author: LEGER
Dept./Agy.: New Orleans Exhibition Hall Authority
Subject: Creation of an Economic Growth and Development District Analyst: Whit Kling

DISTRICTS/SPECIAL OR SEE FISC NOTE LF RV See Note Page 1 of 1
Creates the New Orleans Exhibition Hall Authority Economic Growth and Development District

Purpose of Bill: This bill creates the New Orleans Exhibition Hall Authority Economic Growth and Development District ("District") as a political subdivision of the state. The bill provides for boundaries and governance through the Board of Commissioners of the New Orleans Exhibition Hall Authority and provides for duties and powers, including the levy and collection of taxes and special assessments within the District. The bill provides that the District be granted the powers of an economic development district including but not limited to the powers of tax increment financing pursuant to R.S. 33:9038.33 and R.S. 33:9038.34 and the power to levy taxes within the District pursuant to R.S. 33:9038.39. The District's purpose is to provide economic and community development among the District, city, state, owners of property within the District, and to promote economic growth, safety and development. The bill provides that such taxes or assessments are subject to voter approval unless there are no voters in the District, in which instance no election will be required.

Table with 7 columns: EXPENDITURES, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

Table with 7 columns: REVENUES, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

Local Fund expenditures may increase by an indeterminate amount as a result of this bill. The bill is assumed to generate new revenues and, therefore, provides an opportunity for increased expenditures. However, due to planning being in preliminary stages, the number of variables, and lack of information available, the exact expenditure impact of the bill is indeterminable at this time.

The bill creates the District as a political subdivision and provides for various powers and duties that may increase expenditures, including the ability to: (1) appoint agents and employees, and fix their compensation; (2) acquire property and to enter into contracts for purchase, acquisition, construction and improvement of works and facilities; (3) enter into cooperative endeavor agreements with other parties, public or private, and to expend its funding within and beyond its territorial boundaries to accomplish its purpose; and (4) to incur debt.

REVENUE EXPLANATION

Local Fund revenues may increase by an indeterminate amount as a result of this bill. The bill grants the District powers to: 1) assess and collect an ad valorem tax (on property within the District); 2) impose a sales tax; and 3) impose a hotel occupancy tax within the District. Due to planning being in preliminary stages, the number of variables, and lack of information available, the exact revenue impact of the bill is indeterminable at this time.

At the current time, all property within the proposed District boundaries is owned by the New Orleans Exhibition Hall Authority (NOEHA). Therefore, the ad valorem taxing authority granted by the bill would not generate any additional revenues unless (in the future) that property were sold for private use or if outside inventory were stored in NOEHA facilities. Also, at the current time, there are no hotel facilities on NOEHA property. Occupancy tax revenue generated would depend on the development of hotels (sources informed us that they are in the preliminary stages of hotel negotiations). Also, the level of sales tax collections generated would depend on development of such entities as restaurants and other retailer/wholesalers and the occurrence of conferences/events. Supplemental Information: NOEHA currently collects a 1/2 of one cent sales tax on all sales and a 1/4 of one cent sales tax on annual gross receipts from food and beverage sales greater than \$500,000. NOEHA currently collects a 3% hotel occupancy tax on all hotels/motels located in Orleans Parish. For Fiscal Year 2012-2013, occupancy taxes generated approximately \$30 million dollars.

Senate Dual Referral Rules House
13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}
6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S}
6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}
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