

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 481** SLS 24RS 93

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | | |
|---|---------|--------------------------------|
| Date: April 26, 2024 | 3:48 PM | Author: BOUDREAUX |
| Dept./Agy.: Lafayette economic development district | | Analyst: Deborah Vivien |
| Subject: Authorizes an EDD on land owned by UL Lafayette | | |

SPECIAL DISTRICTS

EG SEE FISC NOTE LF RV See Note

Page 1 of 1

Provides for the University of Louisiana at Lafayette Economic Development District. (8/1/24)

Proposed law authorizes the creation of a cooperative economic development district or subdistricts for University of Louisiana - Lafayette (ULL) on land owned or purchased by ULL as a political subdivisions of the state. The district, with a 5-member board chaired by the ULL President who also appoints the remaining members, shall have all powers of a political subdivision including to contract, incur debt, levy taxes (ad valorem tax up to 4 mils, sales tax up to 2%, hotel occupancy tax up to 2%), regulate fees/rental charges and levy special assessments within the district, and acquire property, all without further local, state or voter approval. Local tax increment financing including hotel occupancy tax is authorized. The district will develop public improvement projects for the benefit of ULL either through the college or an affiliated private foundation or non-profit. Taxes levied by the Board may exceed the 3% constitutional local sales tax limitation. Primary residences are excluded from the district; hotels are included. The district authorization appears to be in effect indefinitely. The legal description of the district boundaries are included in the bill.

| EXPENDITURES | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 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 | SEE BELOW | |

Annual Total

| REVENUES | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 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 | SEE BELOW | |

Annual Total

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. There is no mandate for LDR to collect taxes or fees on behalf of the new district, should new taxes or fees be authorized. There are no other collection procedures stipulated in the bill. Thus, it is assumed that the new district will collect all fees, taxes, millages or other assessments that are approved by the board and incur costs accordingly.

Should debt be incurred by the EDD, which is authorized in the bill, it is assumed the district would increase expenditures for debt service.

REVENUE EXPLANATION

To the extent the district levies taxes, fees, assessments or TIF funding that are authorized but not mandated in the bill, local (EDD) revenue would increase. The bill allows the district to be the recipient of TIF funding utilizing existing City of Lafayette revenue streams but would presumably require local additional approvals before finalization.

New fees, assessments, taxes, etc., will not require local, state or voter approval (only board approval) but do have 30-day publication and notification requirements. Subsequent legal challenges are not allowed unless a claim is made during the publication timeframe. State Bond Commission approval will be required if any bonds are sold.

In the bill's current form, it is not clear to the LFO if these assessments, taxes or fees may be interpreted to include tuition or other academic fees on services or facilities that fall within the EDD boundaries, which may be limited in other areas of law. The bill would apparently be considered approval to exceed the 3% constitutional limit on local sales tax rates.

The exact district boundaries are not clear as the legal descriptions are voluminous, and a map was not available at the time of publication of this note. Properties for residential use are excluded from the district leaving no voters within the district. Hotels, motels, inns and bed and breakfasts are included in the district.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger

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Legislative Fiscal Officer