LEGISLATIVE FISCAL OFFICE
Fiscal Note

Louisiana Legislative Fiscal Office — Fiscal Notes

Fiscal Note On: **SB 60** SLS 23RS 185

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 30, 2023 10:02 AM

Author: MORRIS, JAY

Dept./Agy.: Revenue

Subject: Extends TIF expiration dates

Analyst: Deborah Vivien

TAX/LOCAL OR SEE FISC NOTE GF RV

Provides for an extension to the exception to the use of state tax increments for the expansion of certain projects. (8/1/23)

Current law provides for state tax increment financing (TIF) for certain economic development areas with a CEA executed by July 1, 1997 and in place at least thru 8/1/19. The state sales tax increments generated within the TIF district after designation as an economic development area are dedicated back to the TIF entity. The TIF agreement may not be extended beyond December 31, 2033.

Proposed law retains current law and extends the mandatory state TIF expiration date by 22 years from 12/31/33 to 12/31/55.

Effective 8/1/23

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	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	$0	$0	$0	$0	$0	**$0**
Annual Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	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	$0	$0	$0	$0	$0	**$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.

REVENUE EXPLANATION

The bill's extension of the state TIF expiration by 22 years will allow the two impacted TIFs to continue receiving state sales tax increments through 12/31/55, subject to the provisions of each CEA.

Thus, while the specific dollar amount and timing of the impact on state general fund and dedications due to proposed law is indeterminable and begins in FY 34 with the extended expiration date, the bill impacts a dedication of state sales tax receipts that would otherwise flow to the state general fund in years well beyond the fiscal note horizon.

For illustrative purposes, the following table shows the actual distribution of state sales tax revenue to the impacted TIFs:

TIF	FY 21	FY 22
Garrett Rd (Monroe)	$4.2 M	$3.9 M
Tower Dr (Monroe)	$1.1 M	$1.1 M
TOTAL	$5.3 M	$5.0 M

If these receipts grow by 2% to FY 34, the total would be closer to $6M annually. The actual impact will depend on the development within the districts, the provisions of the CEA and other outside economic influences.

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}

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