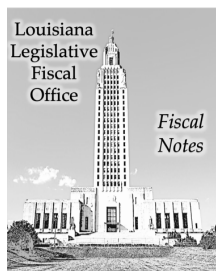


**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 62** HLS 25RS 311

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 8, 2025	3:08 PM	<b>Author:</b> TARVER, PHILLIP
<b>Dept./Agy.:</b> Tax Commission/Local Government		<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> Creates alternative financing for certain capital projects		

LOCAL GOVERNMENT

OR SEE FISC NOTE LF EX

Page 1 of 1

Authorizes parish governing authorities to create commercial property assessed capital expenditure and resilience programs

Proposed law authorizes local governments to implement an optional program called the Commercial Property Assessed Capital Expenditure (C-PACE) Program under which certain environmental and resiliency improvements permanently affixed to eligible commercial property will be financed through a transferable assessment, presumably on that commercial property, and collected by local government in the same manner as property taxes. Eligible property must be owned or "long term" leased, and can include tax exempt organizations. With written approval of all lien holders, proposed law prioritizes the property lien for the improvements above all liens, except property tax, and is enforced in the same manner as a property tax lien. Locals may retain 1% of financed amount up to \$50,000 for administrative costs. The calculation of the assessment is determined in the financing agreement and program guide.

Effective August 1, 2025

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	

**Annual Total**

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	

**Annual Total**

**EXPENDITURE EXPLANATION**

The bill authorizes local governments to pass an ordinance allowing financing of certain improvements through an assessment (presumably on the impacted commercial property though not specified in the bill) collected and disbursed by the local taxing authority instead of being paid directly to the bank by the lendee. Should any local government opt into the program, expenses related to the administration and enforcement of the C-PACE Program would be incurred, depending on the uptake of participation in the program and enforcement efforts required. If no locals opt into the program, there will be no cost. It appears that multiple states have enacted similar financing mechanisms that allow eligible improvements to be paid for over a longer period of time with a smaller or no down payment.

Program parameters specified in the bill appear to mandate the local approval of any qualified project, though responsibilities of the taxing authority in the approval process is not clear, either in criteria, expense accuracy or number of projects. Due to the bill's authorization for locals to contract with a third-party administrator, particularly to determine qualifying projects, the bill appears to anticipate a more significant local responsibility than inclusion of an assessment on tax bills and disbursement of proceeds. With the expectation that eligible improvements would be higher cost given the desire to spread payments over a longer timeframe, if only two parishes reach the maximum fee retention (see revenue explanation), the dual referral threshold of \$100,000 is met.

**REVENUE EXPLANATION**

Local governments are authorized to impose fees of 1% of the amount financed for improvements up to \$50,000. This fee cap is not specified in the bill as a per project limit or as a program total on an annual basis, and, in the absence of specificity, is presumably to be the total amount the local government is authorized to collect over the life of the program.

It is assumed that the fee will cover the expense of including C-PACE assessments on property tax bills, but it is not clear if it would also cover any cost of enforcement or any other governmental responsibilities. However, an increase in the assessment due to enforcement costs is authorized, which would presumably also be retained by the enforcing agency if collected. It appears that any additional enforcement costs are also constrained by the fee cap.

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*

**Alan M. Boxberger**  
**Legislative Fiscal Officer**