

OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: **SB 146** SLS 25RS 219
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: April 14, 2025	5:22 PM	Author: JACKSON-ANDREWS
Dept./Agy.: Lake Providence Port Commission		
Subject: Debt Issuance & Facility Acquisition Authority		Analyst: Barry Kelly

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Provides relative to the issuance of bonds by the Lake Providence Port Commission and the powers of the commission. (gov sig)

Purpose of Bill: This bill repeals the \$15 million cap on the amount of bonds and notes that the Lake Providence Port Commission (Commission) can have outstanding at any one time. In addition, the bill repeals a provision that these bonds are backed by the full faith and credit of East Carroll Parish and the State of Louisiana. Furthermore, the bill amends the Commission's powers to explicitly authorize it to acquire (in addition to construct, own, operate, and maintain) terminal and common carrier rail facilities, and to expand this power to include facilities physically located outside the boundaries of East Carroll Parish, for the purpose of rendering rail transportation to and from the port area.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						
REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

This bill expands the Lake Providence Port Commission’s (Commission) authority for both issuing debt and acquiring and operating rail facilities. As a result, this bill may increase Commission expenditures to the extent that it issues debt or acquires and operates facilities that it could not otherwise do so under current law. However, the exact timing and amounts of this impact, if any, is currently indeterminable.

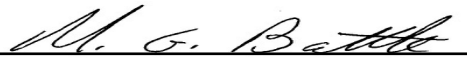
The Commission has plans for two projects with current cost estimates totaling \$22 million (\$15 million for one + \$7 million for the other). The two projects that the Commission is planning to carry out are the Rail Acquisition/Rehab Project and the Rail Reconstruction Project. Estimated dates for project initiation range from 2025 to 2026.

The Commission indicated that it may need to borrow funds to pay for these projects, which could potentially increase its total outstanding debt to a maximum of \$30 million (\$15 million above its current debt limit). In addition, these projects may involve the Commission acquiring and operating rail facilities that it could not otherwise acquire and operate under current law, including facilities located outside of East Carroll Parish. This bill may increase Commission expenditures, but this impact is dependent upon the extent to which the Commission uses the expanded authority to borrow amounts greater than is allowed under current law and the extent to which the Commission uses the expanded authority to acquire and operate facilities that it could not otherwise under current law. The exact timing and amount of this impact, if any, is currently indeterminable due to uncertainties about the extent to which the Commission will make use of this expanded authority.

Removing the pledge of the full faith and credit of East Carroll Parish and the State of Louisiana appears to eliminate the state’s and parish’s legal obligation to cover debt service payments should the Commission default on bonds issued under this revised statute. Based on information from the the Commission, it appears that this provision, historically, has not been triggered as the Commission, historically, has not defaulted on its debt. Therefore, the repeal of this provision is not expected to have a direct material impact on the expenditures of East Carroll Parish or the State of Louisiana.

REVENUE EXPLANATION

This bill expands the Lake Providence Port Commission’s (Commission) authority to issue debt. As a result, this bill does not have a direct material impact on Commission revenue, as proceeds from issuing debt are not considered revenue. However, this bill may increase funds available for projects to the extent that the Commission issues debt that it could otherwise not issue under current law. It should be noted that a Commission official indicated that these projects are expected to generate revenue for the Commission once completed, but detailed current estimates are not available.

Senate	Dual Referral Rules	House	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	Michael G. Battle Manager, Advisory Services