LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 619** HLS 11RS 1215
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 11, 2011 3:46 PM
Author: LEGER
Dept./Agy.: Louisiana Stadium & Exposition District (LSED)
Subject: Louisiana Sports & Entertainment District in N.O.
Analyst: Travis McIlwain

DISTRICTS/SPECIAL OR SEE FISC NOTE LF RV
Creates the La. Sports and Entertainment District in New Orleans

Proposed legislation creates the Louisiana Sports and Entertainment District (political subdivision of the state), which is comprised of all the property bounded by Poydras Street, Loyola Avenue, Girod Street, South Liberty Street, Julia Street, Le Rouge Street, Howard Avenue and South Claiborne Avenue. The district is to be administered by the Louisiana Stadium and Exposition District (LSED). The members of the district shall serve without salary or per diem. This bill provides the district with the same authority granted to economic development districts including but not limited to the powers of tax increment financing. Proposed legislation provides for the created district to levy taxes and to issue and sell bonds. Effective upon governor's signature.

EXPENDITURES	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**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	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

REVENUES	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**5 -YEAR TOTAL**
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. This bill creates the district as a political subdivision and provides for various powers including: 1.) to enter into contracts for the purchase, lease, acquisition, construction and improvement of works and facilities, 2.) to enter into cooperative endeavor agreements with any other party, 3.) all powers granted to economic development districts including the powers of tax increment financing. In addition, the proposed legislation does not provide for salary or per diem for members of the Board of Commissioners of the Louisiana Stadium and Exposition District (LSED).

REVENUE EXPLANATION

This legislation provides for the creation of an economic development district titled the Louisiana Sports and Entertainment District and the bill by itself has no impact to state revenues. However, to the extent this legislation is enacted, the newly created economic development district would have the authority (via cooperative endeavor agreement with the City of New Orleans or the state with legislative approval by the Joint Legislative Committee on the Budget) to redirect specific state and/or local taxes to the newly created district (above a calculated baseline tax collection amount).

The specific revenues that would likely be dedicated (via a TIF) or generated via a new levy as result of these potential arrangements is unknown at this time. However, according to the LSED the specific revenue could be utilized to mitigate future potential budget shortfalls within the LSED's subsequent fiscal year. The LSED is projecting an FY 13 deficit ranging from $8 million to $12 million.

Proposed legislation also provides for the district to sell bonds that would be backed by the potential revenues of the district. According to the LSED, these bonds would be subject to approval of the State Bond Commission, but would not be considered Net State Tax Supported Debt.

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 >= $500,000 Annual Fiscal Cost {S}
☐ 6.8(F)2 >= $100,000 Annual SGF Cost {H&S}
☐ 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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