OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: **HB 327** HLS 11RS 369
Bill Text Version: **ENGROSSED**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 23, 2011 11:25 AM
Author: ROY
Dept./Agy.: Alexandria Central Economic Development District
Subject: Extends the boundaries of the district
Analyst: Erica Martin

DISTRICTS/ECONOMIC DEVEL EG DECREASE GF RV See Note
Extends the boundaries of the Alexandria Central Economic Development District

Purpose of Bill: This measure will extend the boundaries of the Alexandria Central Economic Development District to include the Masonic Home property, which will allow the developers to qualify for tax credits for the rehabilitation of historic structures.

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	$0	$0	$0	$0	$0	**$0**
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.	$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	**$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.

This measure proposes to extend the Alexandria Central Economic Development District to include the Masonic Home property and provides a boundary description; therefore, no anticipated impact on expenditures.

REVENUE EXPLANATION

State General Fund revenues may decrease in FY13 and/or subsequent years as a result of this measure.

This measure proposes to extend the boundaries of the Alexandria Central Economic Development District to include the Masonic Home property. This will allow the developers of the property to qualify for the state historic tax credit. This credit is equal to 25% of the eligible costs and expenses of the rehabilitation and is earned in the year in which the rehabilitated property is placed in service.

Members of the project estimate the approved expenditures to be $2.3 million, making the tax credit an estimated $575,000. The property is also estimated to be put into service in August of 2012. They plan on selling the credits to raise equity to restore the property. Therefore, the credit could be used by the buyer to offset a pre-existing, unrelated tax revenue stream for the state. Because the credit can be carried forward, it is unknown what years will be affected; however, the state general fund is anticipated to have a reduction of approximately $575,000.

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}

Joy Irwin
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