OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: **HB 161** HLS 11RS 522
Bill Text Version: **ENGROSSED**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 24, 2011 9:32 AM
Author: LORUSSO
Dept./Agy.: City of New Orleans
Subject: Lake Area Taxing District in Orleans Parish
Analyst: Lisa Newton

DISTRICTS/TAXING EG SEE FISC NOTE LF RV See Note
Creates the Lake Area Taxing District in Orleans Parish

Purpose of the Bill: This bill is proposing to create a sales TIF district (Lake Area Taxing District) as a special taxing district and political subdivision of the state that can only use the local sales tax increment portion (state sales tax increment is prohibited). Provides that the district be governed by an eleven-member board. The members of the board shall serve without salary or expense reimbursement. Provides that the district shall dissolve and cease to exist one year after the date that all bonds, notes, and other evidences of indebtedness are paid in full (but shall be in existence at least 3 years and no more than 10). The bill also provides that any tax or portion of tax which has previously been dedicated by voters may only be used as a tax increment in the new district if approved by a majority of the voters of the taxing authority levying the tax.

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.	$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**

EXPENDITURE EXPLANATION

There may be an increase in local fund expenditures as a result of this measure, but the increase in expenditures is indeterminable at this time. The district may incur costs associated with establishing the district and this bill specifically: (1) requires preparation of an annual budget; (2) requires an annual audit; (3) authorizes the hiring of an executive director and staff and the payment of compensation; and (4) authorizes the issuance of bonds.

REVENUE EXPLANATION

This bill may result in local governmental tax revenues being diverted from the City of New Orleans general fund to the newly created district. Therefore, there may be no overall fiscal impact at the local level.
The newly formed board will determine sales tax increments that will be received by the district. These increments will be based on previous sales taxes collected by New Orleans in the sales tax area that is now included in the new district. According to an official with the Office of the Mayor, City of New Orleans, they estimate a baseline diversion of $2 to $3 million from the City of New Orleans general fund to the new taxing district. But as previously stated, this is a transfer of revenue from one local entity to another.

There may be an increase in other local fund revenues as a result of this measure, but the increase is indeterminable at this time. If the Board decides to sell property, receive gifts and donations, or take advantage of other revenue-generating strategies, local fund revenues could increase. At this point, it is difficult to determine if the board will take such action and to what extent.

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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