



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: HB 335 HLS 12RS 621
Bill Text Version: ORIGINAL
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: April 12, 2012 7:56 AM Author: LORUSSO
Dept./Agy.: Revenue Analyst: Greg Albrecht
Subject: New Orleans City Park Taxing District - TIF

DISTRICTS/SPECIAL OR DECREASE GF RV See Note Page 1 of 1
Relative to the New Orleans City Park Taxing District, provides with respect to procedures relative to use of state sales tax increments for tax increment financing

Current law creates the New Orleans City Park Taxing District with the authority to implement sales tax increment financing for the development of the district, including a process to dedicate state sales taxes within the district to service revenue bonds that fund projects in the district. State tax increments can not exceed the local tax increment. The state department of Economic Development must submit the project to the Joint Budget Committee (JLCB) for approval with a determination of the tax increments associated with the project.

Proposed law provides that the district itself submit the project to the JLCB for approval, and that the state Department of Revenue determine the tax increments associated with the project. Effective upon governor's signature.

Table with 7 columns: EXPENDITURES, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

Table with 7 columns: REVENUES, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The Department of Revenue has a protocol for identifying tax remitters in the particular TIF districts around the state and rebating back the appropriate amounts of tax to the districts, and will apply that process to this new district.

REVENUE EXPLANATION

The bill contemplates state participation in particular local economic development projects utilizing tax increment financing. This participation would essentially dedicate state sales tax receipts to the purposes of the District. Current law defines the area of the district as New Orleans City Park and encompasses existing activities in the park generating sales tax receipts.

New Orleans City Park provided some estimates of the effects of the planned amenities from feasibility studies, with state sales tax increments ranging from \$1,000 in the first year to as much as \$100,000 in the fifth year, if all amenities come on line and are as successful as planned.

- Senate Dual Referral Rules House
13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} 6.8(F)1 >= \$500,000 Annual Fiscal Cost {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}

H. Gordon Monk
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