



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 433** HLS 25RS 691
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 7, 2025 6:11 PM **Author:** DESHOTEL
Dept./Agy.: Louisiana Economic Development / Treasury **Analyst:** Noah O'Dell
Subject: Site Investment and Infrastructure Improvement Fund

FUNDS/FUNDING OR -\$150,000,000 GF RV See Note Page 1 of 1
 Establishes the Site Investment and Infrastructure Improvement Fund in the state treasury

Proposed law creates the Site Investment and Infrastructure Improvement Fund. Treasury is directed to deposit \$150M SGF in FY25 and each fiscal year thereafter deposit 10% of all recurring state general fund revenue, limited to \$50M, as recognized by the Revenue Estimating Conference (REC) in excess of the Official Forecast at the beginning of each fiscal year. Louisiana Economic Development (LED) shall use the fund solely for site investment and infrastructure improvements for economic development projects. Program parameters appear to be defined by LED through rule promulgation. Interest on the fund is directed to the state general fund.

Effective upon signature by the governor or lapse of time for gubernatorial action.

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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

The bill is anticipated to increase statutory dedication spending by an indeterminable amount, depending on the number of site investment and infrastructure improvements that take place in a given year. Treasury requires certain resources to create and administer a statutory dedication, as in this measure. Should aggregate session action result in the creation of funds beyond that which can be absorbed within existing resources, additional funding may be required, which is assumed to be SGR in this fiscal note.

REVENUE EXPLANATION

The bill dedicates a **one-time amount of \$150M SGF in FY25** and **up to an additional \$50M per year** of future recurring general fund revenue growth to site investment and infrastructure improvements for certain economic development projects. Specifically, the fund would receive 10% of all recurring state general fund revenue recognized by the REC in excess of the official forecast at the beginning of the year, up to a maximum of \$50M in any fiscal year. Interest from the Site Investment and Infrastructure Improvement Fund will flow to the SGF and be considered in the forecast that determines the 10% dedication. Annual fund deposits will not be based on actual collections, only on forecast changes. Estimating annual fund deposits, if any, is indeterminable. **However, to the extent a deposit into the new fund does occur, resources available for state general fund expenditures will be less than they otherwise would be, and a like amount of recurring revenue will be reserved for one-time uses.**

As an example, the FY25 general fund revenue forecast was increased during FY25 at the December 2024 REC meeting by approximately \$38.6M. If this forecast remains in place through the fiscal year, this bill would dedicate approximately \$3.86M (10%) of the increase to the new fund, presumably in the same manner as the New Opportunities Waiver fund and the Community Options Wavier Fund. If so, the treasurer would make the transfers required by this bill at the end of the fiscal year for appropriation in the ensuing fiscal year. Revenue deposits are not guaranteed annually due to general fund forecast fluctuations.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}



Deborah Vivien
Chief Economist