



**OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note**

Fiscal Note On: **SB 188** SLS 19RS 140
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 24, 2019	10:40 AM	Author: CHABERT
Dept./Agy.: Greater Lafourche Port Commission		Analyst: Steven Kraemer
Subject: Bonds		

LOCAL AGENCIES EG SEE FISC NOTE LF EX Page 1 of 1
 Provides relative to the bonding authority of the Greater Lafourche Port Commission. (gov sig)

Purpose of Bill: This bill removes an existing \$25 million cap on the amount of bonds and notes that can be outstanding at any one-time for the Greater Lafourche Port Commission. In addition, this bill removes an existing 6% cap on the interest rate on bonds to which property taxes are pledged by the Greater Lafourche Port Commission.

EXPENDITURES	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>5 -YEAR TOTAL</u>
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						

REVENUES	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>5 -YEAR TOTAL</u>
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						

EXPENDITURE EXPLANATION

The impact of this bill on the Greater Lafourche Port Commission is currently indeterminable. However, Commission expenditures may increase to the extent debt is issued beyond existing caps.

The impact of this bill on the Commission is currently indeterminable as there are a number of uncertainties regarding the timing, amount, and payment terms of future borrowings. According to our contact at the Commission, they have no way of foreseeing how much they will bond, when they will bond, and the financial market conditions under which bonding will occur. However, Commission expenditures related to debt service and debt issuance costs may increase to the extent that the Commission issues bonds/notes that exceed the \$25 million cap or the 6% interest rate cap. Per the official with the Commission, the Commission does not currently have outstanding bonds or notes.

An official with the Greater Lafourche Port Commission indicated that the removal of both the bonding limit and maximum interest rate is being sought in anticipation of the development of "Fourchon Island". Development of the Island will include, at a minimum, construction of a bridge for vehicular access and improving the Belle Pass channel for larger vessel access. The timing and cost of development is unknown at this time.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

However, our contact at the Commission suggested that if the Commission is authorized (e.g. by U.S. Army Corps of Engineers) to develop the Island and funding is secured, there could be an increase in lease revenue.

Senate
 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}

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