

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 341** SLS 24RS 206

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

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Dept./Agy.: Department of Economic Development		Analyst: Noah O'Dell
Subject: Major Events Incentive Fund and Program Administration		

ECONOMIC DEVELOP DEPT EG INCREASE GF RV See Note
Provides relative for the Major Incentive Fund and Program. (gov sig)

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Current law requires the Lieutenant Governor, through the Department of Culture, Recreation, and Tourism (CRT) to administer the Major Events Incentive Program to provide funding for specific major events in the state through the Major Events Incentive Fund. Within 60 days after the major event, the Lieutenant Governor is required to submit an economic analysis to the Joint Legislative Committee on the Budget (JLCB) including incremental state tax increases attributable to the event. JLCB may then determine an amount to transfer to the fund. The fund may also accept stand-alone appropriations, grants and donations.

Proposed law removes the economic analysis reports required to be presented to JLCB by the Lieutenant Governor within 60 days after a major event. The bill also removes the incremental tax increase calculations and subsequent deposit of those funds into the Major Events Incentive Fund. The bill requires the Lieutenant Governor receive JLCB approval before entering into any contract with an entity regarding any financial commitment for a qualified major event and before disbursing monies from the fund. The bill otherwise retains current law. Effective upon the Governor's signature.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$1,500,000)
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	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$1,500,000)

REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed law is anticipated to decrease \$300,000 SGF expenditures annually beginning in FY 25 within the Department of Culture, Recreation, and Tourism (CRT) as a result of the repeal of the requirement that CRT produce economic impact reports within 60 days following a major event. The bill requires that CRT instead receive JLCB approval before finalizing contractual commitments and before monies are disbursed from the fund for the program. This fiscal note assumes that events under contract prior to the effective date of the bill will follow current law and continue to require an economic impact report, though the bill is not explicit. Future contracts under proposed law will not require economic impact reports.

For informational purposes, CRT has corrected its reporting to state that 2 major events within the program are currently scheduled for FY 25 but not yet contracted:

- USA National Karate Championship in Lafayette (\$50,000 - contract pending)
- 2025 SuperBowl in New Orleans (\$10 M - award notification pending)

REVENUE EXPLANATION

The bill is expected to increase SGF and decrease statutory dedications by an indeterminate amount.

Current law directs JLCB to transfer an amount equal to the incremental revenue impact of certain events as calculated by an economic impact study submitted by CRT.

CRT reports no monies to date have been deposited in the Major Events Incentive Fund due to the incremental tax mechanism provided in current law. The incremental tax mechanism is repealed by the proposed law. To the extent future incremental tax revenues would be transferred to the fund under current law, the impact of the bill would work to increase SGF revenue and decrease statutory dedication revenue by equivalent amounts, which are indeterminable, since future eligible events are unknown.

- 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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