



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: SB 193 SLS 15RS 255
Bill Text Version: ENGROSSED
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 13, 2015 4:56 PM Author: THOMPSON, F
Dept./Agy.: City of Monroe Analyst: Robbie Robinson
Subject: Walnut Street Special District

SPECIAL DISTRICTS EG INCREASE LF See Note Page 1 of 1
Authorizes the Walnut Street Special District as a tax increment finance district in the city of Monroe. (gov sig)

Purpose of Bill: This measure creates the Walnut Street Special District (District) within a defined area of the city of Monroe and grants it certain taxing, tax increment finance, and bonding authority to finance economic development projects within the District. As a local government subdivision, the District is authorized to implement hotel occupancy taxes to fund infrastructure within the District. With regard to tax increment financing, taxes remitted from businesses in the District would be dedicated to any authorized purpose of the District or the payment of bonds to finance projects located within the District. The District will be governed by a 4-member board and will dissolve and cease to exist one year after the date all bonds, notes, and other evidences of indebtedness are paid in full (but shall have an existence of at least three years).

Table with columns: EXPENDITURES, REVENUES, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

There may be an increase in local fund expenditures as a result of this measure.

This measure creates the Walnut Street Special District in the city of Monroe as a special district and political subdivision of the state and provides for various powers and duties that may increase expenditures including: (1) to appoint officers, agents, and employees and fix their compensation; (2) to acquire property to accomplish the purposes of the District, (3) to enter into contracts, (4) to reimburse any member for reasonable, actual, and necessary expenses incurred in the performance of his duties; and (5) to incur debt.

An official with the Monroe Economic Development Office provided that the District now consists of empty commercial buildings. The development plan is to renovate the buildings and to operate a small hotel, restaurant, and convention center. One of the goals of the project is to turn empty buildings into revenue producers within the Downtown Economic Development District of Monroe. The official provided that there is no information available on what the development will cost, but that the developer wants to sell bonds to finance the project. The official also provided that a second phase of this project will add a parking garage for downtown Monroe. For this fiscal note, we assume that the potential revenue generated (\$150,000 annually) will be spent.

REVENUE EXPLANATION

There may be an increase in local fund revenues as a result of this measure.

The District could raise local revenue, to the extent it exercises its authority to levy a sales, ad valorem, or occupancy tax. Until revenues are determined, the level of baseline tax collections within the District's boundaries and any potential further increments (growth) that will be dedicated by this bill are not specifically known.

An official with the Monroe Economic Development Office estimates that the operations of a 50 room hotel, restaurant, and convention center may generate approximately \$150,000 annually from sales and occupancy taxes.

- Senate Dual Referral Rules House
[] 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
[X] 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
[] 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & 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}

Signature of Michael G. Battle
Michael G. Battle
Manager, Advisory Services