

LEGISLATIVE FISCAL OFFICE
Fiscal Note

ACT 12

Fiscal Note On: **SB 218** SLS 15RS 538

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:



Date: June 2, 2015 6:31 PM	Author: MURRAY
Dept./Agy.: Economic Development	Analyst: Charley Rome
Subject: Program to Attract Major Events	

TAX/TAXATION

EN DECREASE GF RV See Note

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Establishes a program to attract major events to the state and dedicates funds therefor. (7/1/15)

Proposed law establishes the Major Events Incentive Program subfund within the Mega-Project Development Fund authorizing the secretary of the Louisiana Department of Economic Development (LED) to enter into a contract with a local organizing committee, endorsing parish, or endorsing municipality that is a party to the event supporting contract to recruit, solicit, or acquire for Louisiana major specified events that have a significant positive economic development impact on the state. The contract shall provide for financial commitment to the local organizing committee, endorsing parish, or endorsing municipality which shall be paid with funds dedicated for such purposes. Proposed law creates a subfund in the Mega-Project Development Fund in the treasury for transfer in and credit to the subfund the incremental increase in state taxes generated by the occurrence of the qualified event. The amount of the incremental increase in certain state tax receipts generated within the designated area by the occurrence of the qualified event during the specified period shall be determined by the secretary of LED. **(Bill Summary Continued on Page Two)**

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	INCREASE	INCREASE	
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

State general fund expenditures will increase to fund a outside consultant to determine the amounts of the incremental increases in certain state tax receipts generated within designated areas by the occurrence of qualified events during specified periods. It is unlikely that LED will incur costs for these outside consultants prior to FY19 due to anticipated delays associated with the occurrence of these qualified events in the future. The Louisiana Department of Economic Development (LED) is unable to precisely estimate the costs associated with hiring these outside consultants at this time. However, LED reports that the costs to compensate these outside consultants should not exceed \$100,000 per year. Additionally, LED reports that the department can meet the remaining requirements in the bill with existing staff and resources.

REVENUE EXPLANATION

The proposed legislation will decrease state general fund revenues and increase statutorily dedicated funds beginning in FY19 from the Major Events Incentive Program Subfund created by the bill and requires the Treasurer to deposit tax receipts associated with targeted events into the subfund created by the bill. It is unlikely that the revenue impacts associated with the bill will occur prior to FY19 due to anticipated delays associated with the occurrence of these qualified events in the future. While any particular event examined in isolation can show tax receipts associated with the event, the effects of these events on overall statewide tax receipts are difficult to discern.

Senate

Dual Referral Rules

House

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

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}

Evan Brasseaux

Evan Brasseaux
Staff Director

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CONTINUED EXPLANATION from page one:
(Bill Summary Continued from Page One)

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The secretary shall notify the Joint Legislative Committee on the Budget (JLCB) and the treasurer of his determination and, upon the direction of the JLCB, the treasurer shall transfer the amount of the incremental increase to the subfund. The bill provides that the amount of the incremental increase shall be based upon state excise taxes and state sales and use taxes, excluding state hotel and motel occupancy taxes and does not include any local taxes. Subject to legislative appropriation, the treasurer shall distribute monies to eligible entities at times and in amounts determined by the secretary and approved by JLCB. The bill requires that a site selection organization selects a site in this state as the sole site for the event and that the event is held not more frequently than annually. Proposed law defines the following, and others, as qualified events: (1) The NFL Super Bowl. (2) The NCAA Final Four. (3) The NBA All-Star Game. (4) The X Games. (5) An NCAA Division I Football Bowl Subdivision postseason playoff or championship game. (6) The World Games. (7) A national collegiate championship of an amateur sport recognized by the United States Olympic Committee (USOC). (8) An Olympic activity, including a Junior or Senior activity, training program, or feeder program sanctioned by the USOC. (9) A mixed martial arts championship. (10) The Breeders' Cup World Championships. (11) A Bass Masters Classic. (12) A National Motorsports race. (13) The Red Bull Signature Series. (14) A NCAA College Football Kickoff Game. (15) The United States Bowling Congress Tournament. (16) A national political convention of the Republican National Committee or the Democratic National Committee. Further requires that the site selection organization selects the site as the sole site event and that the event is not held more than once a year. Effective July 1, 2015.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

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