

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 680** HLS 18RS 912

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 22, 2018 4:54 PM	<b>Author:</b> LEGER
<b>Dept./Agy.:</b> LA Dept. of Economic Development	<b>Analyst:</b> Zachary Rau
<b>Subject:</b> Major Events Incentive Program Subfund Process	

ECONOMIC DEVELOPMENT

EG SEE FISC NOTE GF RV See Note

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Provides relative to the Major Events Incentive Program Fund and Louisiana Economic Development

Proposed law allows the Secretary of the LA Dept. of Economic Development (LED) to enter in a contract with local organizations to recruit a qualified event with approval of the Commissioner of Administration. Proposed law states that incentive commitment to a qualified event shall be no more than the incremental increase in certain tax receipts as determined by the LED Secretary. Proposed law requires the LED Secretary to notify the Revenue Estimating Conference and Joint Legislative Committee on the Budget (JLCB) in writing of his determination regarding the incremental increase in tax receipts generated by a qualified event. Proposed law requires legislative appropriation and JLCB approval of any incremental tax receipts generated by a qualified event prior to disbursement of incentives to the entity holding the qualified event. Proposed law adds "WWE Wrestlemania" to the list of qualified events for the Major Events Incentive Program.

<b>EXPENDITURES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						
<b>REVENUES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Proposed law alters the process by which qualified events and/or qualified major events may receive economic incentives from the State of Louisiana through the LA Dept. of Economic Development (LED). The LA Dept. of Economic Development (LED) reports that there are no qualified events currently approved for incentives through the Major Events Incentive Program.

For illustrative purposes, to the extent an event qualifies for incentives through the Major Events Incentive Program, incremental increases of tax receipts derived from the hosting of a qualified major event (see Revenue Explanation) would be diverted from the State General Fund to the Major Events Incentive Program Subfund within the LA Mega-Project Development Fund. Final disbursements to entities hosting qualified events would require final approval by the Joint Legislative Committee on the Budget and appropriation of incremental tax receipts within the Major Events Incentive Program Subfund.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure. The LA Dept. of Economic Development (LED) reports that there are no qualified events currently approved for incentives through the Major Events Incentive Program.

For illustrative purposes, to the extent an event qualifies to receive incentives through the Major Events Incentive Program, the Secretary of LED would establish a baseline of excise tax and sales and use tax receipts (excluding state hotel/motel occupancy taxes) in the area hosting the event. Any incremental increases of the aforementioned tax receipts relative to the baseline established by the Secretary of LED would then be transferred to the Major Events Incentive Program Subfund within the LA Mega-Project Development Fund rather than to the State General Fund.

Senate

Dual Referral Rules

House

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

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

**John D. Carpenter**  
**Legislative Fiscal Officer**