

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 621** HLS 23RS 1025

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 23, 2023	2:36 PM	Author: CORMIER
Dept./Agy.: LSU/Southern/DOTD/Revenue		Analyst: Deborah Vivien
Subject: Tax football tickets to fund rail service		

TAX OR INCREASE SD RV See Note Page 1 of 1
Levies a tax on tickets for admission to certain college football games and dedicates the avails of the tax to passenger rail service between New Orleans and Baton Rouge

Proposed law imposes a temporary tax of \$1 per sale of an admission ticket for every LSU or Southern football game played in East Baton Rouge Parish beginning with the 2023 season and lasting through December 31, 2027. Proposed law creates the New Orleans and Baton Rouge Passenger Rail Fund into which the proceeds of the tax will be deposited. The fund and any earnings may only be used for the development and support of a passenger rail service between New Orleans and Baton Rouge subject to appropriation.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	\$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>	\$0
Annual Total					\$0	\$0

REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	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>	\$0
Annual Total						

EXPENDITURE EXPLANATION

LSU reports annual expenses of \$5,000 to collect and remit the tax. Initial expenses to implement the tax were not addressed and assumed to be absorbed in the existing budget. It is assumed that Southern would experience similar expenses in setting up the same tax on sold football ticket. For purposes of reporting expenses for this fiscal note, the expenditures are assumed to be made from the state general fund, but could potentially be paid by SGR or Other revenue sources.

Monies and earnings deposited into the New Orleans and Baton Rouge Passenger Rail Fund would be used for the development and support of a passenger rail service between New Orleans and Baton Rouge, assumed to total approximately \$917,000 annually (see revenue explanation below)

REVENUE EXPLANATION

Based on average attendance and average number of home games, the tax would generate about \$917,000 annually through December 31, 2027. However, there are no provisions in the bill or the fiscal note for gratis tickets, which may distort these results.

LSU Attendance: 100,600	Southern Attendance: 18,700
Home Games: 8	Home Games: 6
Annual Tax: \$804,800	Annual Tax: \$112,200

Source: 24/7sports.com

Source: herosports.com

The number of home games may differ each year depending on final game schedules.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger

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Interim Legislative Fiscal Officer