



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **SB 70** SLS 23RS 101  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

**Date:** April 26, 2023 11:56 AM **Author:** FIELDS  
**Dept./Agy.:** EBR economic development district **Analyst:** Deborah Vivien  
**Subject:** Authorizes an EDD for all land owned by LSU or SU

SPECIAL DISTRICTS Page 1 of 1  
 OR SEE FISC NOTE GF RV  
 Authorizes the creation of cooperative economic development districts affiliated with Southern University and Louisiana State University in East Baton Rouge Parish. (gov sig)  
Proposed law authorizes the creation of a cooperative economic development district or subdistrict on all lands owned by Louisiana State University or Southern University (not contiguous) as a political subdivision of the state by local governing authorities. The district with an appointed board shall have all powers of a political subdivision including contracting, incur debt, regulate the imposition of fees and rentals charged by the district for its facilities and services, develop public improvement projects for the benefit of the respective college either through the college or an affiliated private foundation or non-profit, tax increment financing, levy the following taxes: ad valorem tax (up to 4 mils), sales tax (up to 2%) and hotel occupancy tax (up to 2%), levy assessments within the district, may exceed the 3% constitutional local sales tax limitation, all by a vote of the board after a vote of electors in the district or subdistrict. If no electors, then by approval of the local subdivision governing authority. The district authorization is in effect for the longer of an outstanding debt obligation or 50 years. (A map of property in EBR owned by LSU and SU created by Office of State Lands is available upon request from LFO)

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

REVENUES	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**  
 There is no anticipated direct material effect on governmental expenditures as a result of this measure. According to LDR, there is no mandate for LDR to collect taxes or fees on behalf of the new district, should new taxes or fees be authorized.

**REVENUE EXPLANATION**  
 The bill authorizes the economic development district (EDD) to pursue tax increment financing, which will require state and/or local government approval after enactment to become final. The bill also authorizes the district to incur debt, which will require State Bond Commission approval after enactment to become final (deemed in the bill to be excluded from net state tax supported debt). The district boundaries could include any property owned by LSU or Southern in East Baton Rouge parish and are not required to be contiguous.

The district will have the power to assess, tax and impose fees within its boundaries, with local government approval unless the district contains an electorate (presumably one voter would suffice), in which case a public vote would be required. In the bill's current form, it is not clear to the LFO if these assessments, taxes or fees may be interpreted to include tuition, dorm rentals or other academic fees as services or facilities that fall within the EDD boundaries, which may be limited in other areas of law. None of the authorizations in the bill appear to be in lieu of existing state or local impositions. The bill would apparently be considered approval to exceed the 3% constitutional limit on local sales tax rates.

The board serves 5 year terms and is comprised of a) 4 appointees of the highest executive officer of the college, b) 1 appointee of the local governing authority, c) 1 appointee of House member from that district, and d) 1 appointee of the Senate member from that district.

Senate      Dual Referral Rules  
 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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 Interim Legislative Fiscal Officer