



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

Fiscal Note On: **HB 203** HLS 12RS 733  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 9, 2012 4:14 PM	<b>Author:</b> LEGER
<b>Dept./Agy.:</b> Treasury	<b>Analyst:</b> Greg Albrecht
<b>Subject:</b> Casino Support Services Contract Payments	

GAMING/REVENUE OR DECREASE SD RV See Note Page 1 of 1  
 Deletes quarterly payment requirements of the casino support services contract

Current law provides that the City of New Orleans be compensated on a quarterly basis with regard to the casino support services contract between the Gaming Control Board and the City for costs associated with various services provided by the City for the casino.

Proposed law removes the quarterly basis for compensating the City. In this case the state treasury would provide the full funding of the contract in a single payment.

Effective upon governor's signature.

<b>EXPENDITURES</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</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	\$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><u>\$0</u></b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</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	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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.

**REVENUE EXPLANATION**

The latest casino support services contract was approved by the JLCB on 3/20/2012 for \$3.6 million for 2012-2013. Appropriations are contained in HB 1 Engrossed to support the contract; one appropriation of \$3.6 million is from the Casino Support Services Fund contingent upon enactment of HB 183 of the 2012 session (from the new Fund created by HB 183 and ultimately financed by casino proceeds that would otherwise be deposited into the SELF fund for teacher and faculty salaries), and another appropriation of \$3.6 million directly from the SELF fund in the event HB 183 is not enacted into law.

If either one of these appropriations is still contained in HB 1 upon enactment, this bill will result in a lump sum transmittals of the \$3.6 million from the SELF (indirectly through the re-dedication in HB 183 or directly from the SELF fund). The fiscal effect of this bill effectively depends on whether HB 183 is enacted. That bill also eliminates the quarterly basis of the compensation payment, but allocates casino proceeds to the contract payment only over the course of the fiscal year with one-half allocated immediately and the balance allocated only once the SELF fund receives nearly all it is likely to receive from casino proceeds during the year. In this case, SELF foregoes essentially a year's worth of earnings on one-half the contract amount; some \$25,000 - \$30,000 at recent yields. In the case where HB 183 is not enacted, a single full payment would be made early in the fiscal year as casino proceeds are received. SELF would forego essentially a year's worth of earnings on the full contract amount; some \$50,000 - \$60,000 at recent yields.

An appropriation was made to support the contract, contingent upon enactment of HB 516 of the 2011 session (from the new Fund created by HB 516). That bill was vetoed, but \$3.6 million was also appropriated from the SELF fund for FY12 in the event HB 516 failed to become law. This amount (\$3.6 million) has been appropriated from the state general fund in prior years (FY07-10), at a lesser amount of \$1 million in the years FY04-06, and \$6 million in FY00.

Future funding of the contract as was done in FY12 and similarly proposed for FY13 is assumed for the purposes of this fiscal note.

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