



OFFICE OF LEGISLATIVE AUDITOR Fiscal Note

Fiscal Note On: **HB 285** HLS 13RS 546

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 9, 2013 4:13 PM	Author: HARRIS
Dept./Agy.: Alexandria Urban Renewal Authority	Analyst: Kevin Starns
Subject: Creation of the Alexandria Urban Renewal Authority	

LOCAL GOVERNMENT

OR SEE FISC NOTE LF RV

Page 1 of 2

Creates the Alexandria Urban Renewal Authority

Purpose of Bill: This measure creates the Alexandria Urban Renewal Authority for the elimination and prevention of the development or spread of slum, blighted, and distressed areas (also provides for redevelopment of these areas). The authority shall encompass all of the territory included in the city of Alexandria and shall be governed by the board of commissioners. The bill provides for the powers and duties of the board, such as the power to acquire and dispose of property, and the authority to create and execute redevelopment plans or development plans within its jurisdiction, among other authorities/duties provided for in this bill. In addition, this bill provides that the authority shall not be required to pay any taxes, including but not limited to sales and use taxes, ad valorem, occupational licensing, income, or any other taxes of any kind or nature, or fees or assessments upon any property held, acquired, or used by the authority under the provisions of the Chapter, or upon the income therefrom.

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

As a result of this measure, local expenditures may increase by an indeterminable amount.

While board members will serve without compensation, they may be reimbursed for expenses incurred in performance of duties on behalf of the authority. The board is also authorized to incur debt; to incur expenses in order to acquire and use property; to appoint officers, agents, and employees; and to fix their compensation. Expenditures of the new authority will depend on the objectives and plans established by the board of commissioners.

Per an official with the City of Alexandria, there will be no fiscal impact, as some required services will be donated by a third party; no employees will be hired; no debt will be incurred; the authority does not intend to borrow any funds; and property will only be purchased through a credit bid in which no expense will be incurred by the authority.

While this official estimates no overall fiscal impact, he did recognize that there may be some limited expenditure increases. We researched prior fiscal notes completed on similar bills and found where we estimated expenditure increases ranging from \$2,500 per year to \$10,000 per year (See fiscal notes for HB 90 and HB 159 from the 2011 Regular Session).

REVENUE EXPLANATION

As a result of this measure, local revenues may increase by an indeterminable amount.

The new authority will have the power to accept advances, leases, grants, contributions and other financial assistance from federal, state, parish, or other public bodies. The new authority will also have the power to collect fees for the use of property acquired by the authority. In addition, the authority may sell, lease, exchange, or transfer immovable property acquired for residential, recreational, commercial, industrial, or other public uses. Revenues will depend on the objectives and plans established by the board of commissioners.

Per an official with the City of Alexandria, there is no expected fiscal impact on revenues. The authority does not expect to borrow any funds and currently has no funding process developed. We questioned whether property tax revenue may decrease for properties acquired tax-free by the authority (if taxes were being paid by the property owners). However, because the properties considered in the bill are abandoned and blighted, it is probable that no taxes have been paid on those properties for years by owners, therefore causing no fiscal impact.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} 6.8(F) >= \$500,000 Annual Fiscal Cost {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}



Joy Irwin
Director of Advisory Services



OFFICE OF LEGISLATIVE AUDITOR Fiscal Note

Fiscal Note On: **HB 285** HLS 13RS 546

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 9, 2013 4:13 PM	Author: HARRIS
Dept./Agy.: Alexandria Urban Renewal Authority	
Subject: Creation of the Alexandria Urban Renewal Authority	Analyst: Kevin Starns

CONTINUED EXPLANATION from page one:

While this official estimates no overall fiscal impact, he did recognize that there may be some limited revenue increases. We researched prior fiscal notes completed on similar bills and found where we estimated revenue increases ranging from \$2,500 per year to \$25,000 per year (See fiscal notes for HB 90 and HB 159 from the 2011 Regular Session).

Senate

Dual Referral Rules

House

- | | |
|---|--|
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S} |
| <input 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} |



Joy Irwin
Director of Advisory Services