



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 255** HLS 13RS 831
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: April 15, 2013 7:46 AM	Author: LEGER
Dept./Agy.: Economic Development	
Subject: Changes Minimum Requirements in Enterprise Zone	Analyst: Charley Rome

ECONOMIC DEVEL/ENT ZONE

OR -\$3,300,000 GF RV See Note

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Change minimums in Enterprise Zone

Proposed law changes the definition of "multifamily residential housing" by increasing the maximum number of attached dwelling units allowed from 200 to 300. Proposed law also changes the definition of "transit-oriented development" by changing the minimum commercial or rental space allowed from 15% commercial or rental facilities to 20,000 square feet of commercial or rental facilities.

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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	(\$3,300,000)	(\$900,000)	\$0	(\$4,200,000)
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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	(\$3,300,000)	(\$900,000)	\$0	(\$4,200,000)

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

This legislation will reduce state general fund revenue collections by qualifying larger scale multifamily residential projects for the Enterprise Zone program. A multi-modal transit center is defined as a public transit stop or exchange that includes no less than three modes of public transportation including bus, streetcar, rail, ferry or water taxi. The proposed changes will likely apply to the New Orleans downtown area and targets the South Market District proposed development in New Orleans.

According to data provided by the South Market District and verified by the Department of Economic Development, the project will qualify for an estimated \$4.2 million in benefits once it becomes operational in FY 16/17 by taking advantage of a 1.5% investment credit (\$4.2 million) over two years on \$278.9M in additional capital expenditures eligible for the 1.5% investor tax credit due to the proposed legislation (\$278.9M X 1.5% investment tax credit = \$4.18M).

The revenue decrease estimated above is based on planned development in the South Market District in New Orleans. There could be other projects in the future with additional decreases in SGF revenues due to the proposed legislation. However, the is no way to forecast the potential SGF revenue decreases from other projects in the future that might meet the bill’s proposed changes.

Senate

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

☒ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

Dual Referral Rules

House

☐ 6.8(F) >= \$500,000 Annual Fiscal Cost {S}

☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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