



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: HB 788 HLS 14RS 287
Bill Text Version: ENGROSSED
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: April 15, 2014 8:18 AM Author: LEGER
Dept./Agy.: Ernest N. Morial New Orleans Exhibition Hall Authority
Subject: Ernest N. Morial New Orleans Exhibition Hall Authority Analyst: Theresa Chatelain

CONVENTION FACILITIES EG +\$71,650,000 LF EX See Note Page 1 of 1
Provides with respect to the Ernest N. Morial New Orleans Exhibition Hall Authority

Purpose of Bill: This measure expands the authority of the Ernest N. Morial New Orleans Exhibition Hall Authority (Authority) to provide for the issuance of nontraditional tax-free bonds to finance expansion projects. This measure changes limitations relative to lodging facilities; authorizes the Authority to enter into contracts related to hotel services; and extends exemptions to hotel services. This measure also authorizes the Phase V Convention Center Expansion Project, which is a tourism development plan to enhance the Convention Center and install basic infrastructure to facilitate private development on property owned by the Authority.

Table with 7 columns: EXPENDITURES, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total. REVENUES section follows with similar columns and rows.

EXPENDITURE EXPLANATION

This bill may increase local fund expenditures by approximately \$142,300,000 over the next four fiscal years.

Per officials with the Authority, preliminary estimates indicate the Authority's Phase V expenditures would be approximately \$142,300,000, excluding financing costs. The Authority expects to issue long-term revenue bonds over a 25 year period at an estimated 4.6% borrowing rate to finance a portion of the project costs. Bond payments would be paid from the Authority's existing tax revenues as well.

According to our contacts with the Authority, there is no fiscal impact to the State as the Authority would use internal reserve funds and issue Authority revenue bonds to finance the project. Bonds issued for this project would be the sole responsibility of the Authority and not the State or any other agency, according to Authority officials.

REVENUE EXPLANATION

This bill may increase local funds.

Per officials with the Authority, the project will be financed through bond proceeds and internal reserve funds. The issuance of bonds is considered a source of financing.

According to our contacts with the Authority, there is no fiscal impact to the State as the Authority would use internal reserve funds and issue Authority revenue bonds to finance the project. Bonds issued for this project would be the sole responsibility of the Authority and not the State or any other agency, according to Authority officials.

- Senate Dual Referral Rules House
[] 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
[X] 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
[] 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & 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