

## OFFICE OF LEGISLATIVE AUDITOR Fiscal Note

Fiscal Note On: HB 324 HLS 15RS 466

Bill Text Version: ENGROSSED

Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

**Date:** May 4, 2015 11:34 AM **Author:** BADON

**Dept./Agy.:** Fairway Estates Subdivision Improvement District

Subject: Neighborhood Improvement Analyst: Bobby Trahan

DISTRICTS/CRIME PREVENT EG +\$44,000 LF RV See Note Creates the Fairway Estates Subdivision Improvement District in Orleans Parish

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**Purpose of Bill**: This measure creates the Fairway Estates Subdivision Improvement District in Orleans Parish for the purpose of aiding in crime prevention by providing security for the district residents and to serve the needs of the residents by funding beautification and other activities and improvements for the overall betterment of the district. The district will be governed by a board of five commissioners, who will serve without compensation, but shall be reimbursed for their reasonable out-of-pocket expenses directly related to the governance of the district. In addition, the measure authorizes the district to impose and collect a fee for each parcel in the district not to exceed \$500 per parcel, if approved by a majority of the registered votes of the district. If approved the initial fee shall expire on December 31, 2018, but the fee may be renewed if approved by a majority of the registered voters of the district voting on the proposition at an election held for that purpose. If renewed the term of the imposition of the fee shall not exceed 8 years.

EXPENDITURES	<u>2015-16</u>	2016-17	2017-18	2018-19	2019-20	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	<u>\$47,500</u>	<u>\$44,000</u>	\$44,000	<u>\$44,000</u>	<u>\$44,000</u>	<u>\$223,500</u>
Annual Total	\$47,500	\$44,000	\$44,000	\$44,000	\$44,000	\$223,500
REVENUES	2015-16	2016-17	2017-18	<u>2018-19</u>	2019-20	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	<u>\$44,000</u>	<u>\$44,000</u>	<u>\$44,000</u>	<u>\$44,000</u>	<u>\$44,000</u>	<u>\$220,000</u>
Annual Total	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$220,000

## **EXPENDITURE EXPLANATION**

Local government expenditures may increase by \$44,000 annually as a result of this measure.

An official with the Fairway Estates Homeowners Association indicated the fees collected would be used to provide security cameras, police patrols, overall beautification projects for the district, and for the statutory City of New Orleans 1% collection fee.

The district will also be responsible for its share of the cost to hold the election. Information obtained from the Secretary of State's Office indicated the cost for a single precinct to hold an election on this matter could range from a high of \$3,500 (if the election is held alone) to a low of \$60 (if the election is held at the same time as a statewide election). The cost would increase as additional precincts are added.

The expenditure figure for fiscal year 2015-16 includes the maximum election cost of \$3,500 for a single precinct since the voters in this district will have to vote on the measure in order to initially impose the fee.

## **REVENUE EXPLANATION**

Local governmental revenues may increase by \$44,000 per year.

According to an official with the Fairway Estates Homeowners Association there are 88 parcels of property located in the district. Therefore, if the maximum fee of \$500 is assessed the district would collect \$44,000 per year.

Senate <u>Dual Referral Rules</u> <u>House</u> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		M. G. Battle
13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}	$0.8(F)(2) >= $500,000 \text{ Rev. Red. to State } \{11 \& 3\}$ $0.8(G) >= $500,000 \text{ Tax or Fee Increase}$ or a Net Fee Decrease $\{S\}$	Michael G. Battle Manager, Advisory Services