

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **HB 418** HLS 05RS 691
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Sub. Bill For.:
 Proposed Amd.:

| | | |
|--|---------|---------------------------------|
| Date: May 17, 2005 | 1:55 PM | Author: LAFONTA |
| Dept./Agy.: Revenue | | Analyst: Robert E. Hosse |
| Subject: Provides for use of monies in N.O. Sports Franchise Fund | | |

TAX/SALES-USE, STATE OR SEE FISC NOTE SD EX Page 1 of 1
 Provides with respect to dedication of certain state sales and use tax collections in Orleans Parish

Present law dedicates 1% of the state's 1.97% sales and use tax on hotel/motel room rentals in Orleans Parish to the New Orleans Sports Franchise Fund after an annual \$2 million payment to the Ernest N. Morial Convention Center Phase IV Expansion Project Fund. Present law (pursuant to Section 2 of Act 73 of the 1st Extra Session of 2002) suspends other provisions of present law relative to grants by legislators in Orleans Parish; and provides that the monies in the "N.O. Sports Franchise Fund" are to be appropriated and distributed each fiscal year to the Louisiana Stadium and Exposition District for use only to fund contractual obligations of the state to any NFL or NBA franchise located in Orleans Parish. Proposed law retains present law, but permits use of monies in the fund for purposes determined by the legislature pursuant to specific appropriation. Effective July 1, 2005.

| EXPENDITURES | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| 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 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 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 |

EXPENDITURE EXPLANATION

There is no anticipated net direct material effect on governmental expenditures as a result of this measure. However, proposed law would allow for alternative use of available monies in the Sports Franchise Fund for purposes determined by the legislature pursuant to specific appropriation. After the payment of \$2 million annually to the Ernest N. Morial Convention Center Phase IV, the proceeds of the 1% levy are currently used to fund the contractual agreement between the state and the New Orleans Saints. This excess amounts to approximately \$6 million.

REVENUE EXPLANATION

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

Senate

Dual Referral Rules

House

13.5.1 >= \$500,000 Annual Fiscal Cost

6.8(F) >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

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

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