

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6872-02
Bill No.: HB 2805
Subject: Economic Development; Housing; Tourism
Type: Original
Date: April 4, 2016

Bill Summary: This proposal changes the laws regarding land clearance projects.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	\$0 or (Could Exceed \$6,000,000)	\$0 or (Could Exceed \$6,000,000)	\$0 or (Could Exceed \$6,000,000)
Total Estimated Net Effect on General Revenue	\$0 or (Could Exceed \$6,000,000)	\$0 or (Could Exceed \$6,000,000)	\$0 or (Could Exceed \$6,000,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Officials at the **Office of Administration - Facilities Management, Design and Construction** and the **Department of Natural Resources** each assume no fiscal impact from this proposal to their respective organizations.

Oversight notes this proposal states any agreement shall be determined to produce a positive net fiscal impact for the state over the term of such agreement. Oversight considers the positive benefits of the agreement to be an indirect impact and will not reflect it in the fiscal note.

Oversight notes this proposal states the State shall not appropriate more than \$6 million per year for any one agreement. Therefore, Oversight will show the fiscal impact as \$0 (no appropriation made) or Could Exceed \$6,000,000.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE			
<u>Revenue Reduction</u> - appropriation for qualified land clearance projects	\$0 or (Could Exceed <u>\$6,000,000</u>)	\$0 or (Could Exceed <u>\$6,000,000</u>)	\$0 or (Could Exceed <u>\$6,000,000</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0 or (Could Exceed \$6,000,000)</u>	<u>\$0 or (Could Exceed \$6,000,000)</u>	<u>\$0 or (Could Exceed \$6,000,000)</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

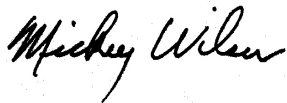
FISCAL DESCRIPTION

This bill authorizes the state, acting through the Department of Economic Development and the Office of Administration, or any other public body, may appropriate funds to aid in the planning, undertaking, or carrying out of a land clearance project to develop, construct, reconstruct, rehabilitate, repair or improve any tourism infrastructure facilities within the project area. Any annual appropriation for such project must be limited to a portion of tax revenues derived directly or indirectly from the project. The annual amount of the state appropriation may not exceed \$6 million per year for any one project and must be determined to produce a positive net fiscal impact for the state over the terms of the project agreement.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration - Facilities Management, Design and Construction
Department of Natural Resources



Mickey Wilson, CPA
Director
April 4, 2016

Ross Strobe
Assistant Director
April 4, 2016