

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 398** HLS 14RS 222

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 8, 2014 6:47 AM	Author: STOKES
Dept./Agy.: Division of Administration (DOA)	Analyst: Travis McIlwain
Subject: State Property in Jefferson Parish	

PUBLIC LANDS/STATE EG INCREASE SG RV See Note Page 1 of 1
Provides for the lease of state property in Jefferson Parish

Proposed legislation authorizes the lease of certain state property in Jefferson Parish (15.646 acres) from the Division of Administration (DOA). Proposed legislation requires the city of Kenner to follow applicable procedures for letting a contract by a request for proposals. Effective upon governor's signature.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	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>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. This bill provides for the parish to work with the office of state purchasing relative to the RFP process. The Division of Administration (DOA) anticipates no material impact to state expenditures.

REVENUE EXPLANATION

This bill may result in indeterminable increase in self-generated revenues. To the extent the DOA enters into a commercial surface lease for 15.646 acres in Jefferson Parish with the winning RFP bidder, the leased property could generate approximately \$1.8 million. The revenue projection is based upon a surface lease rate of 7.5% of the appraised value of the property.

According to the Office of State Lands, surface leases are typically for 5 years and can be renewed up to 9 times for a total time frame of 50 years.

- | | | | |
|---|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

Evan Brasseaux
Evan Brasseaux
Staff Director