



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: HB 729 HLS 10RS 815
Bill Text Version: ENROLLED
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: June 14, 2010 3:53 PM Author: CARMODY
Dept./Agy.: School Boards Analyst: Erica Martin
Subject: Sale of Surplus Property by School Boards

PUBLIC BUILDINGS/GROUNDS EN INCREASE LF RV See Note Page 1 of 1
Provides with respect to the sale of surplus property by school boards

Purpose of this Bill: This measure would change the minimum bid allowed when a school board is selling surplus property (immovable property/real estate) as follows: 85% of appraised value at 1st attempt to sell, 80% of appraised value at second attempt to sell, and no minimum bid at third attempt. Currently, the minimum bid must be the appraised value of the property.

Table with 7 columns: EXPENDITURES, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

Table with 7 columns: REVENUES, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

Expenditures may increase by an indeterminable amount as a result of this measure.

Per an official with the Orleans Parish School Board, each auction attempt increases expenditures for marketing, auctioneers, and other auction expenses. This measure may increase the number of auction attempts. Current expenditures include maintenance, security, and insurance for these properties. These expenditures would be eliminated once the property is sold.

Per officials with the Caddo Parish School Board and the Jefferson Parish School Board, this measure would have no effect on expenditures.

REVENUE EXPLANATION

Revenues may increase by an indeterminable amount as a result of this measure.

Per an official with the Orleans Parish School Board, the Board has unsuccessfully attempted to sell three properties in a competitive bid process at the appraised value. This measure would allow those properties to be sold (at a bid less than the appraised value) and increase local fund revenues. In addition, this measure would convert these properties from tax-exempt properties to taxable properties and generate additional ad valorem taxes.

Per an official with the Caddo Parish School Board, although it is a rare that a property can not be sold at its appraised value, this measure may increase revenues and help sell properties when the appraised value can not be achieved during the bid process.

Per an official with the Jefferson Parish School Board, this measure would have no financial impact on the Board since the Board has no surplus property and hasn't sold any property recently.

Senate Dual Referral Rules
[] 13.5.1 >= \$100,000 Annual Fiscal Cost
[] 13.5.2 >= \$500,000 Annual Tax or Fee Change

House
[] 6.8(F) >= \$100,000 Annual SGF Cost
[] 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

Joy Irwin
Director of Advisory Services