

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 61** SLS 17RS 299

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 19, 2017 6:08 PM	Author: ALLAIN
Dept./Agy.: Local Governments	Analyst: Greg Albrecht
Subject: Ad Valorem Tax - Offshore Vessels	

TAX/AD VALOREM

OR SEE FISC NOTE LF RV

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Constitutional amendment to authorize local economic development authorities or districts to enter into contracts to exempt offshore vessels from ad valorem taxation. (2/3 - CA13s1(A))

The amendment authorizes parish economic development authorities or districts or the absence of such an authority or district the parish governing authority to enter into contracts for the exemption from ad valorem taxes on offshore vessels that operate principally in the outer continental self waters. All affected local tax recipient bodies must approve the exemption.

To be submitted to the electors at the statewide election to be held on November 6, 2018.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	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	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW					
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						

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

Revenue effects on local jurisdictions is dependent upon exemption contracts and local approvals, and specific revenue effects are speculative. However, an idea of the aggregate magnitude of ad valorem taxation that could potentially be affected can be obtained from the amount of refundable state tax credit claims for ad valorem taxes paid on these vessels. Over the three year period FY14 - FY16, the annual average amount of these credit claims has been \$52.6 million per year.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

John D. Carpenter
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Legislative Fiscal Officer