

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



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

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 25, 2017 8:43 PM	<b>Author:</b> ALLAIN
<b>Dept./Agy.:</b> Local Governments	<b>Analyst:</b> Greg Albrecht
<b>Subject:</b> Ad Valorem Tax - Offshore Vessels	

TAX/AD VALOREM EG SEE FISC NOTE LF RV See Note Page 1 of 1  
 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.

<b>EXPENDITURES</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

**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 are dependent upon exemption contracts and local approvals. 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.

To the extent local jurisdictions provide ad valorem tax reductions for these vessels, less claims for state tax credit will be made; enhancing net state tax receipts.

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*  
**John D. Carpenter**  
**Legislative Fiscal Officer**