

LEGISLATIVE FISCAL OFFICE
Fiscal Note



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

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action: **w/ HSE COMM AMD**

Proposed Amd.:

Sub. Bill For.:

Date: May 31, 2017	12:24 PM	Author: ALLAIN
Dept./Agy.: Local Governments		Analyst: Greg Albrecht
Subject: Ad Valorem Tax - Offshore Vessels		

TAX/AD VALOREM

RE1 SEE FISC NOTE LF RV See Note

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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 the authority or district charged with economic development of each parish to enter into contracts to exempt offshore vessels from parish, municipal, and special ad valorem taxes. Offshore vessels are those that operate principally in the outer continental shelf 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	SEE BELOW	SEE BELOW	SEE BELOW	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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 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