



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: SB 93 SLS 18RS 63
Bill Text Version: ORIGINAL
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: March 9, 2018 2:34 PM Author: MIZELL
Dept./Agy.: Volunteer Fire Department Analyst: Barbara Lively
Subject: Ad Valorem Taxes

TAX/AD VALOREM OR SEE FISC NOTE LF RV Page 1 of 1
Exempts volunteer fire departments from having their ad valorem taxes decreased to fund certain statutory allocations. (gov sig)

Purpose of Bill: Current law (R.S. 11:82) requires a percentage of ad valorem taxes of certain parishes to be contributed to specific state and statewide retirement systems. This bill provides that ad valorem taxes allocated to volunteer fire departments will not be reduced by the amount contributed to these retirement systems. The measure also provides that nothing in this proposed law shall reduce the amount of money the retirement systems receive.

Table with 7 columns: EXPENDITURES, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, 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, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. To determine if this bill may have an effect on expenditures, we contacted the tax collector in Acadia and Natchitoches Parishes. According to our contacts, expenditures would not increase for their offices with respect to the recalculation of ad valorem tax receipts amongst the entities in the parish.

REVENUE EXPLANATION

There is no anticipated direct material effect on overall governmental revenues as a result of this measure. Revenues will increase for the volunteer fire departments and will decrease (by the same amount) for other non-exempt entities in the parish.

As a result of this bill, there will not be an overall change in the ad valorem taxes collected by the parishes. However, as a result of this exemption for the volunteer fire departments, the non-exempt entities within the parish will receive less tax revenue (as funding to retirement systems per R.S. 11:82 will be shifted to these non-exempt entities).

We selected six parishes and calculated the amount of revenue increase for the volunteer fire departments and revenue decrease for the non-exempt entities:

- Acadia = \$69,336
Calcasieu = \$47,034
Franklin = \$19,439
Natchitoches = \$51,174
Union = \$25,319
Washington = \$35,046.

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}

Signature of Michael G. Battle
Michael G. Battle
Manager, Advisory Services