



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: SB 362 SLS 18RS 183
Bill Text Version: ORIGINAL
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: March 16, 2018 11:27 AM Author: WARD
Dept./Agy.: Parishes: Ascension, EBR, Iberville, Livingston, and WBR
Subject: Creation of Capital Area Road and Bridge District Analyst: Jamie Mergist

SPECIAL DISTRICTS OR INCREASE LF RV See Note Page 1 of 2
Creates regional authority for certain infrastructure needs and provides relative to taxing powers and uses. (gov sig)

Purpose of the Bill: This bill creates the Capitol Area Road and Bridge District "District" as a political subdivision of the state for the purpose of raising revenue to finance road and bridge projects to alleviate traffic congestion in the district. The district will be governed by an eleven member board of commissioners, who will serve without compensation, but may be reimbursed for expenses actually incurred in the performance of his duties. The bill provides for territorial jurisdiction of the district, and the appointment and term of the board of commissioners, meetings of the board of commissioners and the officers. Also, the bill provides authorization to levy special taxes, parcel fees, and sales taxes if approved by a majority of the voters in the district; authorization to impose a gasoline tax provided the Constitution of Louisiana is amended to so allow; and to incur debt if approved by the State Bond Commission and approved by a majority of the voters in the district.

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

Local Fund expenditures may increase by an indeterminable amount as a result of this bill.

The bill provides for the levying of taxes and fees for the purpose of providing revenue that would enable the district to finance road and bridge projects and all costs associated with the projects. However, due to the number of variables and lack of information available, the exact expenditure impact of the bill is indeterminable at this time.

In addition to the various costs associated with road and bridge projects, the District will also be responsible for its share of election costs. Officials from the Secretary of State's Office stated that various elections could be called depending on the source of revenue sought. A sales and use tax proposition for all parishes in the District would cost approximately \$663,000. If the election is held on a municipal election date with nothing else on the ballot, the District would be responsible for the entire cost. If held during a statewide election, the District's share could be less, but would be no more than 25% of the total (\$663,000 x .25 = \$165,750).

REVENUE EXPLANATION

Local Fund revenues may increase by an indeterminable amount as a result of this bill. Due to the number of variables and lack of information available, the exact revenue impact of the bill is indeterminable at this time.

Special Taxes - The bill would give the District the ability, subject to voter approval, the right to levy and collect an ad valorem tax not to exceed five mills on all property in the District subject to taxation. For illustrative purposes, using values obtained from 2017 parish tax rolls submitted by each parish Assessor, we have calculated a potential revenue impact. If an ad valorem tax of five mills was imposed on properties within the District, the potential revenue would be approximately \$33,756,038 annually (2017 tax payer value = \$6,751,207,645 x 5.0 Mills).

SEE PAGE 2

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

House
[] 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
[X] 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



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CONTINUED EXPLANATION from page one:

Parcel Fees - The bill would give the District the ability, subject to voter approval, the right to levy and collect a parcel fee within the boundaries of the district which shall not exceed five hundred dollars per parcel per year. For illustrative purposes, using values obtained from the Louisiana Tax Commission, we have calculated a potential revenue impact. If a \$500 parcel fee was imposed on every parcel within the District, the potential revenue would be approximately \$201,180,000 annually (total parcels in District for tax year 2016 = 402,360 x \$500/parcel).

Sales Taxes - The bill would give the District the ability, subject to voter approval, the right to levy and collect a sales and use tax not to exceed one percent within the district. For illustrative purposes, using values obtained from tax collection reports from the Louisiana Department of Revenue, we have calculated a potential revenue impact. Using an average of the sales taxes due over a five year period (2012-2016) within the District (\$356,579,389), a one percent increase in the sales tax rate would generate \$89.1M annually. This analysis did not consider any existing caps on local sales taxes.

Gasoline Tax - The bill would give the District the ability, subject to an amendment to the Constitution of Louisiana and voter approval, the right to levy a tax on all gasoline, diesel fuels, and special fuels. For illustrative purposes, using data obtained from tax collection reports from the Louisiana Department of Revenue, we have calculated a potential revenue impact.

Data regarding specific gallons or tax amounts for the parishes included within the District was unavailable; therefore, we have calculated the potential gallons and revenues per parish within the District on a per capita basis. Using an average of the taxed gallons per parish (494,099,255 gallons), a \$.01 tax would generate \$4.9M in revenue.

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}

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