OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Date: April 2, 2018 11:11 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   EG 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, which shall include a new Mississippi River bridge located within the boundaries of the district, to alleviate traffic congestion in the district. The district will be governed by a six 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; and to incur debt if approved by the State Bond Commission and approved by a majority of the voters in the district.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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

Fiscal Note On:	**SB**	**362**	SLS	18RS	183

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For: **REVISED**

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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 the Louisiana Department of Revenue and locally reported figures, we have calculated a potential revenue impact. Using taxable sales of $17,321,290,230 within the District, a one percent increase in the sales tax rate would generate additional revenues up to $173,212,902 annually. This analysis did not consider any existing caps on local sales taxes.

Senate	Dual Referral Rules	House	
[x] 13.5.1 >= $100,000 Annual Fiscal Cost {S&H}		[ ] 6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}	
[x] 13.5.2 >= $500,000 Annual Tax or Fee Change {S&H}		[x] 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}	*M. G. Battle* **Michael G. Battle** **Manager, Advisory Services**