

OFFICE OF LEGISLATIVE AUDITOR Fiscal Note

Fiscal Note On: SB 346 SLS 18RS 564

Bill Text Version: ORIGINAL

Opp. Chamb. Action:
Proposed Amd.:

Sub. Bill For.: REVISED

Date:

Dept./Agy.: Local taxing authorities

Subject: Stipulate ad valorem tax payments

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First Assistant Legislative Auditor

TAX/TAXATION OR SEE FISC NOTE LF RV See Note Page 1 of 1 Authorizes local taxing authorities to enter into cooperative endeavor agreements that provide for stipulated tax payments. (See Act)

Purpose of the Bill: This bill provides local taxing authorities with the ability to enter into cooperative endeavor agreements with owners of property on which new or expanded commercial operations are or will be conducted for the purpose of negotiating ad valorem tax payments. This bill also authorizes the creation of an "STP Advisory Committee" within each parish to evaluate proposed cooperative endeavor agreements and advise taxing authorities on these agreements.

Effective upon adoption of a constitutional amendment contained in an unspecified Senate Bill of this session.

EXPENDITURES	<u> 2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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	CEE BELOW	CEE DELOW	CEE BELOW	SEE BELOW	SEE BELOW	
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EXPENDITURE EXPLANATION

The impact of this measure on governmental expenditures is indeterminable.

The impact of this measure on local governmental expenditures is indeterminable as it is unclear how the local governments would structure the agreements and to what extent the STP Advisory Committees are utilized.

According to an official with the Louisiana Assessor's Association, they anticipate an increase in local funds expenditures. This measure allows for separate agreements between the different taxing authorities in the same parish and the Assessors may need to request legal advice on the requirements of the cooperative endeavors agreements and purchase additional software to calculate and track these agreements. However, these legal and software costs can not be determined.

REVENUE EXPLANATION

Change {S&H}

The impact of this measure on governmental revenue is indeterminable.

The impact of this measure on governmental revenues is indeterminable as it is unclear how the local governments and the "STP Advisory Committee" would structure the agreements with taxpayers and to what extent taxpayers will use these agreements. The utilization of the local authority seems likely to result in lower local ad valorem tax revenue collections, in that, presumably, taxpayer stipulated ad valorem payments may be lower than the ad valorem tax itself. Otherwise, taxpayers may not be inclined to enter the cooperative endeavor agreements. However the stipulated ad valorem tax may provide resources for particular local projects that might not be available from other sources. Utilization of such agreements is speculative, and the local government aggregate revenue impacts can not be projected.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>		00
13.5.1 >=	\$100,000 Annual Fiscal Cost {S&H}	$6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}$	/ OM	Cill
13.5.2 >=	\$500,000 Annual Tax or Fee	6.8(G) >= \$500,000 Tax or Fee Increase	Tom Cole	

or a Net Fee Decrease {S}