



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: SB 294 SLS 18RS 713
Bill Text Version: ORIGINAL
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: March 23, 2018 6:32 PM
Author: WALSWORTH
Dept./Agy.: Local taxing authorities
Subject: Stipulated ad valorem tax payments
Analyst: Barbara Lively

TAX/AD VALOREM OR SEE FISC NOTE LF RV Page 1 of 1
Constitutional amendment to authorize local taxing authorities to enter into cooperative endeavor agreements to negotiate stipulated tax payments of ad valorem taxes. (2/3-CA13s1(A))

Purpose of the Bill: (Constitutional Amendment) This bill provides local taxing authorities with the ability to enter into cooperative endeavor agreements with owners of immovable property on which new or expanded commercial operations are or will be conducted for the purpose of negotiating ad valorem tax payments.

To be submitted to the electors at the statewide election to be held on November 6, 2018.

Table with columns: EXPENDITURES, 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

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.

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

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 would structure the agreements with taxpayers and to what extent they 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.

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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