



**OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note**

Fiscal Note On: **HB 515** HLS 18RS 10
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 25, 2018 12:44 PM	Author: IVEY
Dept./Agy.: Economic Development / Local Authorities	Analyst: Benjamin LeBlanc
Subject: Industrial Tax Exemption Program	

TAX/AD VALOREM-MFG/EXEMP OR SEE FISC NOTE GF EX Page 1 of 1
 Establishes a program for local administration of ad valorem tax exemptions for manufacturing establishments and additions

Purpose of the Bill: Establishes a program whereby the Louisiana Board of Commerce and Industry (Board) is to develop the eligibility requirements and application processes regarding ad valorem tax exemptions for certain manufacturing establishments. This bill also creates Exemption Incentive Review Committees (committees) in each parish for the purpose of considering and approving exemptions that were recommended by the Board.

Contingent upon adoption of a constitutional amendment proposed in an unspecified House Bill of this session.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

This bill may increase governmental expenditures by an indeterminable amount.

An official with Louisiana Economic Development (LED) indicated that the Secretary or his designee may have to attend committee hearings in each parish as a result of this bill. LED's expenditures may increase by an indeterminable amount due to related personnel and travel costs. However, the official was unable to project a specific impact.

From discussion with officials from East Baton Rouge, Livingston, and St. Landry parish governments and the Rapides Parish Assessor's Office, there may be minimal administrative costs related to organizing and preparing for the committees (e.g., document preparation, supplies for meetings).

REVENUE EXPLANATION

The impact on local government revenues is indeterminable.

An official with LED indicated that current ITEP practices will remain largely unchanged with the exceptions of the formation and involvement of the local committees and the use of resolution letters in the application process. Local committees will have the authority to revise, approve, and deny exemption contracts. However, the impact (if any) of these decisions on local ad valorem tax revenue is indeterminable.

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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