

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 597** HLS 18RS 989

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 25, 2018 7:09 PM	Author: HAVARD
Dept./Agy.: Local Government / La Tax Commission	Analyst: Greg Albrecht
Subject: Advance Payment of Ad Valorem Tax	

TAX/AD VALOREM TAX OR SEE FISC NOTE LF RV Page 1 of 1
 Authorizes a local taxing authority to enter into advance tax payment agreements with certain taxpayers for purposes of funding transportation and infrastructure improvement projects

Proposed law authorizes local taxing authorities to enter into agreements with taxpayers whereby certain ad valorem taxes are paid in advance in exchange for a credit against ad valorem taxes due in later periods. Taxes received in advance are to be expended on specific transportation and infrastructure improvement projects, required by the agreements and subject to any restrictions associated with specific millages generating the tax liabilities and payments.

Effective upon governor's signature.

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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

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

The agreements authorized by the bill may result in certain transportation and infrastructure projects being undertaken, that might not have occurred or might have been undertaken at later dates. Shifting forward of the timing of projects may occur at the expense of projects that might have occurred in later periods but for the reduction in ad valorem tax receipts associated with the credits provided to participating tax payers in exchange for advance tax payments.

REVENUE EXPLANATION

The bill does not appear to change property valuations or tax liabilities, but will accelerate tax receipts involved in any agreements authorized by the bill. With respect to the flow of tax receipts associated with taxing bodies and taxpayers participating in such agreements, this will result in greater tax receipts in early periods and lesser tax receipts in later periods, than would otherwise be the case in the absence of any such agreements. Presumably, the agreements would account for the changing valuations and tax liabilities over time of participating taxpayers such that the same amount of tax is paid overall by the taxpayer, inclusive of advance payments and credits, as would be paid in the absence of these agreements. In addition, it is not clear how, if at all, this change in the timing of tax receipts will affect the millage adjustment process, and the shifting of tax burdens among taxpayers as total collections step-up and then step-down for participating local entities.

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}

John D. Carpenter
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Legislative Fiscal Officer