



# OFFICE OF LEGISLATIVE AUDITOR Fiscal Note

Fiscal Note On: **SB 110** SLS 19RS 203  
Bill Text Version: **ENGROSSED**  
Opp. Chamb. Action:  
Proposed Amd.:  
Sub. Bill For.:

<b>Date:</b> May 1, 2019 10:53 AM	<b>Author:</b> PETERSON
<b>Dept./Agy.:</b> City of New Orleans	<b>Analyst:</b> Elizabeth Caillier
<b>Subject:</b> Cost of Collecting Ad Valorem Taxes	

MUNICIPALITIES EG NO IMPACT LF RV See Note Page 1 of 1  
Provides relative to the collection cost that the city of New Orleans can charge each tax recipient for reimbursement of expenses. (8/1/19)

**Purpose of the Bill:** This measure authorizes the City of New Orleans to increase their collection fee from 2% to 4% on individual governing bodies associated with ad valorem taxes collected by the City.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	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
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	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
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### EXPENDITURE EXPLANATION

**There is no anticipated direct material effect on local fund expenditures as a result of this measure.**

The measure provides that the City of New Orleans will deduct ad valorem collection cost from each tax recipient's governing body's proportionate share of ad valorem taxes. Thus, the tax recipient bodies will receive their proportionate share of taxes, net of the collection cost, and will not increase their expenditures for this amount.

### REVENUE EXPLANATION

**There is no anticipated direct material effect on overall local fund revenues as a result of this measure.**

As stated by an official with the City of New Orleans, the City currently collects ad valorem tax on behalf of both citywide entities and within special districts. Based on 2019 taxes collected, a 2% increase in collection fees may yield an additional \$8,600,000 beginning 2019-20 and increasing annually to \$9,600,000 by 2023-24.

However, as the City's collection fee revenue increases, the tax recipient bodies would receive less ad valorem tax revenue by the same amount. **Thus, there would be no overall impact on local governmental revenue as a result of this measure.**

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}

**Michael G. Battle**  
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