



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 67** HLS 202ES 111
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: October 13, 2020 3:05 PM	Author: CREWS
Dept./Agy.: Other Requirements/Sales Tax Dedications	Analyst: Willie Marie Scott
Subject: Sales Tax Dedications	

FUNDS/FUNDING RE SD EX See Note Page 1 of 1
 Provides relative to state sales tax dedications for municipalities that defund their police departments (Items #11 and 16)

The proposed law amends Act 1 of 2020 1st ES. It further provides that if a municipal police department notifies the Joint Legislative Committee on the Budget (JLCB) that its annual operating budget has been reduced JLCB may request the municipality to appear before the committee and provide a description of the proposed budget reductions and the effect of the reductions on the municipality's ability to provide for public safety. If the JLCB determines the proposed reductions will have a significant and harmful effect on public safety, it may recommend reconsideration of the funding appropriated in the Act to the municipality or the parish containing the municipality. It further provides an exemption for any municipality with a population of less than 20,000 as determined by the latest federal decennial census and any political subdivision that decreases the annual operating budget by 10% or more for its municipal police department due to a decrease in tax collections within the political subdivision.

EXPENDITURES	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

REVENUES	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>5 -YEAR TOTAL</u>
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure since the law merely provides that JLCB may recommend reconsideration of sales tax dedications appropriated in Act 1 of 2020 1st ES. If it is determined by JLCB that a municipal police department's reduction to its annual operating budget will have a significant and harmful effect on public safety, JLCB may recommend reconsideration of the funding appropriated to the municipality or parish containing the municipality. Based on the 2010 census, there are approximately 15 municipalities within 13 parishes with a population of 20,000 or more that may be impacted by the enactment of the proposed legislation.

Note: All funding from the sales tax dedications is subject to annual appropriation by the legislature (appropriated as statutory dedications).

Note: The proposed law does not mandate that municipal police departments report changes to their annual operating budget to the JLCB.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues 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}

Alan M. Boxberger

Alan M. Boxberger
Staff Director