



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: HB 622 HLS 13RS 662
Bill Text Version: ORIGINAL
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: April 22, 2013 11:29 AM Author: BURNS
Dept./Agy.: St. Tammany Parish Taxing Authorities Analyst: Theresa Chatelain
Subject: Procedures for Increasing Property Tax Rates

TAX/AD VALOREM TAX OR INCREASE LF EX See Note Page 1 of 1
Provides requirements for public hearings for purposes of certain millage increases.

Purpose of Bill: This measure provides that taxing authorities in St. Tammany Parish can increase the millage rate to any maximum rate adopted within the previous 10 years, limited to an amount which would increase the ad valorem taxes by no more than 2.5% of collections. This would not apply to special fire protection or fire department districts.

Currently, when taxing authorities choose the option to roll-forward to a higher millage rate, a hearing must be held and notice must be provided as prescribed by the Constitution. This measure requires that such notice and publication occur twice between 60 and 30 days before the hearing, in addition to the current notice requirement. The measure further requires that the local taxing authorities coordinate the dates, times, and locations of their hearings by adopting two dates for such hearings and holding their hearings sequentially on the same date in the same location. These hearings must also be advertised through electronic and social media.

Table with 7 columns: EXPENDITURES, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

Table with 7 columns: REVENUES, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

Local fund expenditures may increase as a result of this measure.

This measure may increase local fund expenditures because of the additional notice, publication, and coordination of hearings required. As of December 31, 2012, there were 36 taxing authorities in St. Tammany Parish. When these authorities choose to roll-forward their millage rate, a hearing must be held and notice must be provided. In 2012, nine taxing authorities rolled forward their millage rate and held such a hearing. In 2011, two taxing authorities rolled forward their millage rate.

According to an official with the St. Tammany Parish School Board, the additional notice required by this measure could increase expenditures by approximately \$2,000 annually.

According to an official with the St. Tammany Parish Council, the additional notice required by this measure could increase local fund expenditures by approximately \$2,500 annually.

According to an official with Recreation District No. 1 of St. Tammany Parish, the additional notice required by this measure could increase local fund expenditures by a few hundred dollars annually.

REVENUE EXPLANATION

There is no direct material impact on governmental revenues as a result of this measure.

Currently, Louisiana Constitution Article VII, Section 23 does not allow the maximum authorized millage rate established within the last 10 years to be levied by the taxing body. Current constitutional provisions allow no more than the prior year's maximum. Without a change to current constitutional provisions, there is a risk that this section could not be applied to the levying of millage rates.

Senate Dual Referral Rules House
13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} 6.8(F) >= \$500,000 Annual Fiscal Cost {S}
13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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