

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 580** HLS 17RS 806

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 30, 2017 11:19 AM	Author: MCFARLAND
Dept./Agy.: Local Government	Analyst: Greg Albrecht
Subject: Timber Severance Tax Disposition	

AGRICULTURE/FOREST COMR RE NO IMPACT GF RV See Note
Provides relative to the disposition of timber severance taxes

Present law allocates 3/4 of state severance tax collections from timber back to the governing authority of the parish in which the production occurs [Art VII, §4(D)].

Proposed law allows these remittance to be used for road maintenance and construction of roads primarily used for timber, logging, and lumber companies to harvest and transport timber. Effective upon governor's signature.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	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	<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. Aggregate expenditures by local governments financed by the remittance back to local governments state timber severance tax is not changed by this bill. However, the utilization by local governments of those remittances may change to the extent this bill allows for additional uses of these resources. The total amount of state timber severance tax receipts remitted back to local governments currently is approximately \$10 million per year (\$10.003M in FY15, \$9.615M in FY16).

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. The amount of state timber severance tax remitted back to local governments is fixed in the state constitution (75% of the amount collected by the state), and this bill does not change that allocation share. Thus, neither state or local government receipts are affected by the bill. The total amount of state timber severance tax receipts remitted back to local governments currently is approximately \$10 million per year (\$10.003M in FY15, \$9.615M in FY16).

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
John D. Carpenter
Legislative Fiscal Officer