

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 217** SLS 20RS 322

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 4, 2020	8:09 AM	<b>Author:</b> CARTER, TROY
<b>Dept./Agy.:</b> Transportation and Development/LA Department of Revenue		<b>Analyst:</b> Alan M. Boxberger
<b>Subject:</b> Provides rebates to certain businesses for tolls		

ROADS/HIGHWAYS OR DECREASE GF RV See Note Page 1 of 2  
Provides relative to rebates to certain businesses domiciled in certain parishes for use of certain bridges and tunnels. (8/1/20)

Proposed law authorizes an annual rebate for tolls paid by a qualified business for travel on the Judge Perez Bridge, also known as the "Belle Chasse Bridge," that carries northbound La. Highway 23 over the Gulf Intracoastal Waterway; requires the Department of Transportation and Development (DOTD) to determine the amount of the annual rebate that does not exceed the actual amount of the qualified business's toll fees paid during the calendar year; defines qualified businesses; requires DOTD to promulgate rules and regulations, and to develop and approve the application electronically submitted by the qualified business to the Department of Revenue (DOR); requires DOTD to certify and issue a receipt indicating the amount of qualified toll fees for the calendar year; requires DOR to provide a standardized format for the receipt to be issued by DOTD; requires the qualified business to provide a copy of the receipt to DOR; authorizes DOR to audit and verify

**SEE SUMMARY CONTINUED ON PAGE TWO**

<b>EXPENDITURES</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	INCREASE	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	INCREASE	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						
<b>REVENUES</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	(\$106,000)	<b>(\$106,000)</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$106,000)</b>	<b>(\$106,000)</b>

**EXPENDITURE EXPLANATION**

Proposed law will result in one-time expenditures of approximately \$25,680 for the Louisiana Department of Revenue (DOR) related to programming, testing and system development costs (designated as SGF only for purposes of this fiscal note). These costs are assumed to be SGF and to occur in or approximately around FY 24. DOR regularly incurs costs related to tax changes after each session of the legislature and the LFO assumes these costs can be absorbed within DOR's base funding level. DOR generally makes an assessment at the end of each session to tabulate the cumulative effect of all legislation in order to determine whether additional resources are needed. To the extent such changes exceed those experienced in a baseline legislative session, DOR would likely require additional budgetary resources.

Proposed law will result in a one-time workload impact (designated as SD only for purposes of this fiscal note) for the Department of Transportation and Development related to the promulgation of rules and regulations necessary to facilitate the annual rebate for tolls paid by a qualified business for travel on the Judge Perez Bridge once tolls are installed on the facility (estimated to occur in FY 24 or FY 25. DOTD will also be required to issue annual receipts detailing actual toll expenditures for the previous calendar year to each qualified business for electronic transfer to DOR. This may create a nominal workload impact, but the LFO assumes that such provisions can be included in the contract with the designated private partner operator at nominal cost.

**REVENUE EXPLANATION**

Proposed law will likely result in a significant decrease in SGF revenues beginning in FY 25 or thereabouts. DOTD will replace the Judge Perez Bridge in Belle Chasse to be partially funded by tolls. There were an estimated 33,000 motorists that currently use the route daily as of December, 2019. Construction is estimated to begin as early as May 2021 and to be completed as early as April 2024. Rebates are to be paid annually by certain businesses for the tolls paid on a calendar year basis. DOR reports the following assumptions with regard to the potential impact on revenues:

- Assume the bridge opens on May 1, 2024
- First rebates will be issued in FY 24 for tolls paid from 5/1/24 to 12/31/24 (245 days).
- 173 businesses are currently registered with OMV in Plaquemines Parish with the requisite minimum number of 5 registered vehicles.
- Assumes 173 businesses with 5 vehicles makes one round trip daily (865 round trips - 173 businesses x 5 vehicles) paying \$0.25 toll per way.
- Tolls paid would be approximately \$433 (865 X \$0.50)
- If tolls were paid for each of the 245 days the bridge were open in 2024, the total decrease in SGF would be approximately \$106,000 (\$433 x 245 days)

**SEE REVENUE EXPLANATION CONTINUED ON PAGE TWO**

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  
**Evan Brasseaux**  
**Staff Director**

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**CONTINUED EXPLANATION from page one:**  
**SUMMARY CONTINUED FROM PAGE ONE**

toll fees claimed in a rebate request, including an audit of the entity that originally collected the toll fees before making the rebate; and requires the secretary of DOR to issue rebates to entities taxed as a partnership for federal income purposes to be paid out of current collections of individual income tax and for all other rebates to be paid out of current collections of corporate income tax. Proposed law is effective August 1, 2020.

**REVENUE EXPLANATION CONTINUED FROM PAGE ONE**

*For informational purposes: In ensuing fiscal years, assuming tolls were paid for each of 365 days the bridge were open, the estimated loss of SGF revenue would be approximately \$158,000 beginning in FY 26.*

The actual revenue impact is indeterminable and will depend on the number of vehicles greater than five each business will operate beginning in 2024, how many round trips the vehicles make daily, the impact having tolls on the bridge will have on traffic patterns, and the actual construction completion date of the bridge. The estimate provided above, ranging from an SGF revenue decrease of \$106,000 to \$158,000, is provided for informational purposes. The larger impact, estimated at \$158,000 annually) will occur outside the five-year window included in this fiscal note. The lesser estimated amount of \$106,000 is reflected for FY 25.

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}

*Evan Brasseaux*

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**Staff Director**