



OFFICE OF LEGISLATIVE AUDITOR Fiscal Note

Fiscal Note On: **SB 423** SLS 20RS 179
Bill Text Version: **REENGROSSED**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 21, 2020 12:01 PM	Author: WHITE, B
Dept./Agy.: St. George Transition District; East Baton Rouge Parish	Analyst: Steven Kraemer
Subject: Creates St. George Transition District; Taxation	

SPECIAL DISTRICTS RE SEE FISC NOTE LF RV Page 1 of 1
Provides for the city of St. George Transition District. (gov sig)

Purpose of Measure: This measure allows East Baton Rouge Parish (Parish) to continue collecting a 2% sales tax in the area of the proposed City of St. George (City), which will be used by the Parish to provide services to the City (for up to one year after the City is declared incorporated). In addition, this measure also creates the St. George Transition District (District) to assist the City with ultimately collecting its own sales tax to provide services within the City.

Note: The incorporation of the City of St. George was approved by voters on October 12, 2019. Currently, there is litigation pending challenging the incorporation. The impact of this bill, including timing of the impact, is contingent upon the challenge being unsuccessful and the courts declaring the City incorporated.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

Parish expenditures within the boundaries of the City/District of St. George will initially continue at current levels (provided the Parish and the City/District of St. George formally agree to the continuance of services by the Parish). As the City/District assumes the provision of services, their expenditures will increase as the Parish's expenditures decrease.

An official with the Parish indicated that if the City/District is incorporated, expenditures will be decreased to operate within the new revenue stream (see revenue section below).

REVENUE EXPLANATION

Parish sales tax revenue generated within the boundaries of the City/District of St. George will continue at current rates, initially. As the City/District imposes its own tax, its revenue will increase as the Parish's revenue decreases.

Information from the Parish indicates that the 2% sales tax in the bill could generate \$43 Million in Fiscal Year 2021, increasing annually by 1% (note: **this was calculated prior to COVID-19**). Assuming the City is declared incorporated, the Parish will stop receiving this revenue no later than one year after this declaration.

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
Manager, Advisory Services