

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 1110** HLS 16RS 2031

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 1, 2016 4:04 PM	Author: BROADWATER
Dept./Agy.: Division of Administration	Analyst: Greg Albrecht
Subject: Rebates for Transportation Investments	

TAX/TAX REBATES

OR SEE FISC NOTE GF RV

Page 1 of 1

Authorizes the state and local governing authorities to enter into a Cooperative Endeavor Agreement and Payment in Lieu of Tax Agreement with corporate taxpayers for certain transportation investments in exchange for future ad valorem property

Authorizes the state, through the division of administration, to enter into cooperative endeavor agreements with local governments and private corporations to negotiate the rebate of state and local taxes paid by private corporate taxpayers in exchange for the taxpayer's investment in transportation projects. Participating local governments may collect ad valorem taxes pursuant to the agreements, but parishes are prohibited from using those collections for any purpose outside of the scope of the agreements. Local governments may grant future ad valorem tax rebates to the corporate taxpayers pursuant to the agreements, and the corporate taxpayers are entitled to those future tax rebates. Such state agreements are subject to the approval of House Ways & Means and Senate Revenue & Fiscal Affairs Committees, and the House & Senate Transportation Committees. Contingent upon enactment of HB 1131 of this session, establishing nine transportation infrastructure districts in the state, created for the purpose of selecting and assisting in financing transportation infrastructure projects (pubic roads, highways, bridges, airports, ports, ferries, and mass transit facilities).

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	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	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The bill authorizes agreements between the state, local governments, and private corporate taxpayers to rebate state and local taxes to the private entities based on their investment in transportation projects (in connection with the provisions of HB 1131 of this session). The bill speaks to ad valorem tax collections by local governments from the participating private entities, and also the rebate of ad valorem taxes in future periods to those private entities, but provides little other guidance as to the parameters of those tax flows. In addition, the bill provides only a single reference to the authority to rebate state taxes, providing no other guidance as to the parameters of those potential tax rebates.

The associated bill, HB 1131 of this session, contemplates a statewide program of transportation infrastructure districts, and various general types of transportation projects, any particular project of which can involve substantial costs, and thus potentially substantial tax rebates. These tax rebate costs can not be estimated as to magnitude or timing.

Senate Dual Referral Rules House

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| <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} |

John D. Carpenter
Legislative Fiscal Officer