



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: **HB 425** HLS 03- 826

Bill Text Version: **ORIGINAL**

Opp Chamb Action:

Sub Bill For:

Proposed Amd:

Date: April 1, 2003 2:35 PM **Author:** PITRE
Dept/Agy: Local Government **Analyst:** Greg Albrecht
Subject: Property Tax - Exempt Certain Drilling Rigs

TAX EXEMPTIONS OR DECREASE LF RV See Note Page 1 of
 (Constitutional Amendment) Exempts from property tax drilling rigs used exclusively for the exploration and development of minerals in OCS waters. which are within the state for storage. or for conversion. renovation. or repair. and any property related

Proposed constitutional amendment exempts from property tax, drilling rigs used exclusively for the exploration and development minerals outside the territorial limits of the state, in Outer Continental Shelf (OCS) waters, which are within the state for the purpose being stored or stacked for use outside the territorial limits of the state, or for the purpose of being converted, renovated, or repaired and any property in the state for the purpose of being incorporated in or to be used in the operation of such drilling rigs.

This exemption shall be applicable in any parish in which a majority of the electors approve the exemption.

To be submitted at the gubernatorial primary election to be held in 2003.

EXPENDITURES	2003-04	2004-05	2005-06	2006-07	2007-08	5 YEAR TOTAL
State General Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Stat. Deds./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2003-04	2004-05	2005-06	2006-07	2007-08	5 YEAR TOTAL
State General Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Stat. Deds./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	DECREASE	DECREASE	DECREASE	DECREASE	
Annual Total	\$0					

EXPENDITURE EXPLANATION:

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

REVENUE EXPLANATION:

It is unknown how much of this type of property value may be in Louisiana at any given time, although a publication by Public Affairs Research Council of Louisiana, Inc. concerning a comparable amendment proposed in the 2002 regular legislative session indicate some 29 offshore rigs were stored in the state at that time, although, it was not known whether these were OCS rigs. While the Legislative Fiscal Office can not confirm any particular count of affected rigs, discussion last year with some affected local assessors suggested that there may be relatively little property of this kind in the state at any given time. To the extent this type of property located in the state, this legislation would result in a loss of property tax revenue to local governments. However, the revenue loss may be relatively small.

Dual Referral Rules

Senate

- 13.5.1 >= \$500,000 Annual Fiscal Cost
- 13.5.2 >= \$500,000 Annual Tax or Fee Change

House

- 6.8(F) >= \$500,000 Annual Fiscal Cost
- 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease per year

H. Gordon Monk

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STAFF DIRECTOR