

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



Fiscal Note On: **SB 37** SLS 19RS 221  
 Bill Text Version: **ENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 1, 2019	2:30 PM	<b>Author:</b> PEACOCK
<b>Dept./Agy.:</b> REVENUE		<b>Analyst:</b> Benjamin Vincent
<b>Subject:</b> Debt Recovery: Local Agencies		

TAX/TAXATION EG INCREASE SG RV See Note Page 1 of 1  
 Authorizes the office of debt recovery to collect delinquent debts on behalf of local government subdivisions. (8/1/19)

Present law authorizes municipalities and parishes to refer unpaid debt to the Department of Revenue (LDR) for offset against individual income tax refunds.

Proposed law authorizes but does not require all units of local government, including school boards and special districts, to refer unpaid debts for offset at the same priority level for municipalities and parishes. Proposed law specifies that an unpaid public elementary and secondary school meal balance does not meet the definition of "debt".

Effective August 1, 2019.

<b>EXPENDITURES</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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>\$0</b>
<b>Annual Total</b>						

  

<b>REVENUES</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>5 -YEAR TOTAL</b>
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Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

LDR is required to notify each individual whose tax refund is being offset, at a cost of approximately \$4 per certified letter. To the extent that accounts with the Office of Debt Recovery (ODR) increase, there will be an increase in this expense.

**REVENUE EXPLANATION**

Proposed law will increase the number of agencies that are able to participate in LDR's offsetting process and ODR's collection process. To the extent that unpaid debts are collected by ODR that could not have been referred for collection under present law, fee revenue will increase.

A material impact on local funds in the aggregate is not anticipated, although over time a small increase in collections may result, to the extent that compliance and enforcement is enhanced beyond what current law already provides.

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}

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