



**OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note**

Fiscal Note On: **HB 528** HLS 15RS 285

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 30, 2015	11:41 AM	Author: LEGER
Dept./Agy.: City of New Orleans		Analyst: Robbie Robinson
Subject: Municipal revenue amnesty program		

MUNICIPALITIES/NO

OR SEE FISC NOTE LF RV

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Authorizes the city of New Orleans to create a municipal revenue amnesty program

Purpose of Bill: This measure, upon the initiative of the Mayor, authorizes the City of New Orleans to establish a municipal revenue amnesty program. The program may provide for the waiver of delinquent taxes, fines, fees, and assessments owed to the City and the waiver of all or a uniform percentage of interest, collection costs, and penalties owed. The City Director of Finance must adopt rules and regulations for the operation and administration of the program and annually report to the Mayor the persons participating in the program. The annual report must also provide the types of taxes, fees, fines and assessments for which amnesty was provided and, for each type of tax, fine, fee, or assessment, the amount collected and the amount of interest, collection costs, and penalties forgone by virtue of the program. The New Orleans Sewerage and Water Board and other political subdivisions in the City, through the Mayor, may participate in the municipal revenue amnesty program.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	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					
Annual Total						

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	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					
Annual Total						

EXPENDITURE EXPLANATION

This bill may result in an increase in local governmental expenditures , however, the impact is indeterminable at this time.

The bill requires the City Director of Finance to adopt rules and regulations for the amnesty program. An Official with the City of New Orleans provided that the Director of Finance will need to draft all regulations over a period of approximately one year. The process will require individual examination of the legal authority, delinquent status, administrative practicality, system capabilities, and the likelihood of success relative to each tax, fine, fee, or assessment. The Official estimates that the amnesty program will last one year or shorter and will not be repeated. The Official also provided that the amnesty program will result in additional costs. These costs, whether internal or contractual, can only be estimated once the program has been designed and there is a clear understanding of the program's complexity.

REVENUE EXPLANATION

This bill may result in an increase in local governmental revenues, however, the impact is indeterminable at this time.

An Official with the City of New Orleans provided that the City of New Orleans exercised its legal authority in 2009 under the Home Rule Charter to undertake an amnesty program for delinquent sales taxes. Based on a review of the 2009 and similar past amnesty programs by the City of New Orleans, the Official estimates that the amnesty program will result in some revenue gain. At this point the Official provided that due to the nature of the revenues targeted under the amnesty program and other factors such as the length, terms, and fact that a plan has not yet been designed, it is very difficult to estimate the revenue increase until the amnesty program regulations are established. The Official also provided that the amnesty program could potentially shift the timing of collections as well as discourage voluntary compliance in the future as taxpayers anticipate the next amnesty program.

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {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} |


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