



**OFFICE OF LEGISLATIVE AUDITOR  
Fiscal Note**

Fiscal Note On: **HB 528** HLS 15RS 285  
 Bill Text Version: **REENGROSSED**  
 Opp. Chamb. Action: **w/ SEN COMM AMD**  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> June 5, 2015 11:18 AM	<b>Author:</b> LEGER
<b>Dept./Agy.:</b> City of New Orleans	<b>Analyst:</b> Whit Kling
<b>Subject:</b> Municipal revenue amnesty program	

MUNICIPALITIES/NO RE1 SEE FISC NOTE LF RV See Note Page 1 of 1  
 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 which may be utilized once every eight years. The program may provide for the waiver of delinquent 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, no later than March first of the year in which the program is implemented, to the Mayor the persons participating in the program. The annual report must also provide the types of fees, fines and assessments for which amnesty was provided and, for each type of 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.

<b>EXPENDITURES</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

<b>REVENUES</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

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

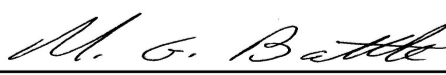
The bill requires the City Director of Finance to adopt rules and regulations for the amnesty program. An Official with the City of New Orleans provided that the Director of Finance will need to draft all regulations over a period of approximately one year. The process will require individual examination of the legal authority, delinquent status, administrative practicality, system capabilities, and the likelihood of success relative to each 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. In addition, the bill as amended provides that the program is only available for a period of sixty days once every eight years. Therefore, the revenue impact will be limited to that restrictive period.

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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} |

  
**Michael G. Battle**  
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