



**OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note**

Fiscal Note On: **HB 179** HLS 19RS 247
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 26, 2019	1:41 PM	Author: MORRIS, JIM
Dept./Agy.: Caddo Parish Fire District No.3		Analyst: Elizabeth Caillier
Subject: Sales and Use Tax		

FIRE PROTECTION EG +\$623,000 LF RV See Note Page 1 of 1
 Authorizes Caddo Parish Fire District No. 3 to levy and collect a sales and use tax

Purpose of Bill: The bill authorizes Caddo Parish Fire District No. 3 to levy a sales and use tax not to exceed 1%, subject to voter approval. In addition, this bill provides that proceeds shall be used for maintaining and operating fire protection facilities, obtaining water for fire protection purposes, or other lawful purposes.

EXPENDITURES	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>5 -YEAR TOTAL</u>
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	\$587,000	\$599,000	\$611,000	\$623,000	\$2,420,000
Annual Total		\$587,000	\$599,000	\$611,000	\$623,000	\$2,420,000

REVENUES	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>5 -YEAR TOTAL</u>
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	\$293,500	\$587,000	\$599,000	\$611,000	\$623,000	\$2,713,500
Annual Total	\$293,500	\$587,000	\$599,000	\$611,000	\$623,000	\$2,713,500

EXPENDITURE EXPLANATION

This bill may increase local fund expenditures for the Caddo Parish Fire District No.3 by approximately \$293,500 starting in 2019-20, increasing annually to \$623,000 by 2023-24 as the additional tax revenue is used. An official with the Fire District informed us that revenues generated from this bill will help them begin to replace aging fire trucks, upgrade an existing fire station, and possibly build an additional station.

An official with the Louisiana Secretary of State's Office indicated that the total election cost to the Fire District could vary depending on when the election is held. Based on the recent costs of elections in the Fire District, the total cost for the election would be about \$35,000 if held in the fall of 2019 or \$20,000 if held in the following spring. If the election is held on a statewide election date, the Fire District would be responsible for paying no more than 25% of the total cost (\$35,000 x .25 = \$8,750). If the election is held at the same time as the spring municipal elections, the Fire District would be responsible for paying the total cost of \$20,000 if that ballot item was the only one appearing in the affected precincts. This official concluded that actual cost cannot be determined until the election is held and all costs are known.

REVENUE EXPLANATION

This bill may increase local sales tax revenue for Caddo Parish Fire District No.3 by approximately \$293,000 starting in 2019-20, increasing annually to \$623,000 by 2023-24.

An official with the Caddo-Shreveport Sales and Use Tax Commission indicated that this bill may increase revenues of the fire district by approximately \$293,500 in 2019-20 (6 months of collections), assuming the sales tax is approved by voters and imposed starting January 2020. This official expects these revenues to increase by 2% annually to approximately \$623,000 by 2023-24. This estimate is based on a review of 2018 sales tax collections and expected future economic growth in the district.

Senate
 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}

Michael G. Battle
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 Manager, Advisory Services