

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 67** HLS 202ES 111

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: October 4, 2020 2:11 PM	Author: CREWS
Dept./Agy.: Other Requirements/Sales Tax Dedications	Analyst: Willie Marie Scott
Subject: Sales Tax Dedications	

FUNDS/FUNDING OR SD EX See Note Page 1 of 1
Provides relative to state sales tax dedications for municipalities that defund their police departments (Items #11 and 16)

The proposed law amends Act 1 of 2020 1st ES. It further provides that if a municipal police department notifies the Joint Legislative Committee on the Budget (JLCB) that its annual operating budget has been reduced JLCB may reduce appropriations of sales tax dedications to a municipality or the parish that contains the municipality. If the JLCB determines the budget cuts have a significant and harmful effect on public safety, it may reduce the appropriation of sales tax dedications in the Act to the municipality or parish by an amount proportionate to the reductions to the municipal police department.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW					
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The fiscal impact on governmental expenditures is indeterminable since the proposed law gives the JLCB the option to reduce sales tax dedications in Act 1 of 2020 1st ES. If it is determined by JLCB that a municipal police department's reduction to its annual operating budget will have a significant and harmful effect on public safety, JLCB may reduce the appropriation of sales tax dedications in the Act to the municipality or parish containing the municipality. The fiscal impact will depend upon the number of municipal police departments that may notify JLCB of reductions in its operating budget and the amount of reductions.

Note: All funding from the sales tax dedications is subject to annual appropriation by the legislature (appropriated as statutory dedications).

Note: The proposed law does not mandate that municipal police departments report changes to their annual operating budget to the JLCB.

REVENUE EXPLANATION

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

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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