



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: SB 247 SLS 13RS 616
Bill Text Version: REENGROSSED
Opp. Chamb. Action: w/ HSE FLOOR AMD
Proposed Amd.:
Sub. Bill For.:

Table with 2 rows and 2 columns. Row 1: Date: May 24, 2013 2:47 PM, Author: NEVERS. Row 2: Dept./Agy.: Parish Government with a Population of 115,000 to 125,000, Analyst: Steven Kraemer. Subject: Additional Sales Tax.

TAX/SALES REF +\$11,268,000 LF RV See Note Page 1 of 1
Authorizes certain parishes to levy a one-half cent sales tax. (8/1/13)

Purpose of Bill: This bill authorizes the governing authority of a parish, except Livingston Parish, governed by a home rule charter and having a population between 115,000 and 125,000 (according to the latest federal decennial census) to levy and collect an additional sales and use tax not to exceed 0.5% within the parish (currently only applies to Tangipahoa Parish Council). This tax must be approved by parish voters, and be imposed by an ordinance of the parish governing authority.

In addition, this bill authorizes any school board of a parish, except Livingston Parish, having a population between 22,400 and 22,800 (according to the latest federal decennial census) to levy and collect an additional sales and use tax not to exceed 1% within the parish (currently only applies to Union Parish School Board). This tax must be approved by parish voters, and be imposed by an ordinance of the parish governing authority.

Table with 7 columns: EXPENDITURES, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total. Similar structure for REVENUES.

EXPENDITURE EXPLANATION
This bill may increase local governmental expenditures by approximately \$128,607 for initial election and administrative costs.

An official with the Tangipahoa Parish School Board indicated that this bill may increase expenditures of the School Board by approximately \$3,300 in Fiscal Year 2013-14 for software enhancements, report modifications, and notices to tax payers. An official with the Tangipahoa Parish Government indicated that proceeds from the tax would be used to pay for costs associated with housing parish prisoners.

An official with the Union Parish School Board indicated that this bill may increase expenditures of the School Board by approximately \$2,230,000 each fiscal year. Expenditures will be to operate/improve school facilities.

Voter approval is required for these sales tax. According to an official with the Secretary of State, the state will initially pay all election costs (approximately \$128,607) and then bill these costs to the entities responsible for items on the ballot. Assuming the tax proposition is the only item on the ballots in the parishes of Union and Tangipahoa, the Tangipahoa Parish Government would pay \$90,449 and the Union Parish School Board would pay \$38,158 for election costs.

REVENUE EXPLANATION
This bill may increase local government revenues by approximately \$5.7 million starting in 2013-14, increasing to approximately \$11.3 million by 2017-18.

Based on information obtained from the Tangipahoa Parish School Board, we estimate this bill may increase Parish revenues by approximately \$3.5 million starting in 2013-14 (for 5 months of collections) and revenue may increase to approximately \$9 million by 2017-18.

An official with the Tangipahoa Parish School Board indicated that the School Board retains 0.65% of tax collections to cover its cost of collecting, distributing, and auditing tax collections. Therefore, this bill may increase School Board revenues by approximately \$22,600 starting in 2013-14 (assuming that the tax goes into effect on January 1, 2014), increasing to approximately \$58,700 by 2017-18.

An official from the Union Parish School Board indicated that this bill may increase School Board revenues by approximately \$2.23 million annually.

Senate Dual Referral Rules House
13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} 6.8(F) >= \$500,000 Annual Fiscal Cost {S}
13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}
Joy Irwin
Director of Advisory Services