



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: HB 111 HLS 14RS 759
Bill Text Version: REENGROSSED
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: April 11, 2014 3:26 PM Author: LEGER
Dept./Agy.: Orleans Parish Governing Authority
Subject: Increases Maximum Mills for Fire and Police Protection Analyst: Becky Ewing

TAX/AD VALOREM TAX RE SEE FISC NOTE LF RV Page 1 of 1
(Constitutional Amendment) Provides relative to ad valorem taxes for fire and police protection in Orleans Parish

Purpose of Bill: This bill allows the governing authority of Orleans Parish (City of New Orleans) to increase millage rates for fire and police protection from 5 mills to 6 mills. In addition, this bill prohibits the City from funding fire and police protection at levels below the calendar year 2013 funding level. Furthermore, this bill requires that the revenues generated by these millages shall be used solely for fire and police protection service enhancements that directly contribute to the safety of the residents of Orleans Parish.

The impact of this bill is dependent upon approval of the constitutional amendment by Louisiana electors at the statewide election scheduled for November 4, 2014, and the subsequent approval of the tax proposition by Orleans Parish electors at an election held for that purpose.

Table with 7 columns: EXPENDITURES, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

Table with 7 columns: REVENUES, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

This bill may increase local fund expenditures for the City of New Orleans by maximum of approximately \$500,000 for election costs. The bill may also increase local fund expenditures as the additional tax revenue is used.

There would be no additional election costs to propose this constitutional amendment, as the November 4, 2014 statewide election is included in current budgets. However, if the amendment is approved, the special election to propose the tax increase may cost the City of New Orleans a maximum of approximately \$500,000 in local funds, according to an official with the Louisiana Secretary of State's office.

If the tax proposition is approved by voters in Orleans Parish, local fund expenditures for the City of New Orleans may increase by approximately \$5.6 million per year as the additional tax revenue is used for fire and police service enhancements as required by this bill.

Because this bill does not specify when the election for this tax proposition will be held, we cannot determine the year in which the local election costs would be incurred or when the additional tax revenue would be available for spending.

REVENUE EXPLANATION

If approved by voters, this bill may increase local fund revenues for the City of New Orleans by approximately \$5.6 million per year.

Assuming the constitutional amendment and the tax proposition are both approved by voters, this bill may increase local fund revenues for the City of New Orleans by approximately \$5.6 million per year. After discussion with an official with the City of New Orleans, we calculated this estimate based on millages increasing from 5.21 to 6.0 (for fire protection) and 5.26 to 6.0 (for police protection).

Because this bill does not specify when the election for this tax proposition will be held, we cannot determine the year in which the tax would be imposed and collected.

- Senate Dual Referral Rules House
[] 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
[X] 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
[] 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}
[X] 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}

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