

# OFFICE OF LEGISLATIVE AUDITOR Fiscal Note

Fiscal Note On: SB 240 SLS 16RS 533

Author: LONG

Bill Text Version: ORIGINAL

Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

**Date:** April 15, 2016 10:36 AM

Dept./Agy.: LOCAL GOVERNMENT

Subject: Ad valorem millage levy

Analyst: Whit Kling

TAX/LOCAL OR NO IMPACT LF RV See Note Provides relative to taxing authority of certain waterway commissions. (8/1/16)

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#### **Purpose of the Bill:**

The bill would allow the Cane River Waterway District to levy a new annual tax not exceeding three mills on the dollar of assessed valuation on all taxable property lying within the district. Such funds are to be deposited into the parish road fund and used solely for construction and improvement of roads in the parish in which the commission/district is located. The bill further requires the commission to reduce any existing property tax millage levied by the commission/district by an equal amount of the new levy.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	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	<b>\$0</b>	\$0
REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	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 impact on local governmental expenditures is neutral.

The commission/district currently assesses six mills on the dollar of assessed valuation on all taxable property lying within the district for capital outlay, maintenance, and operational purposes associated with the waterway district. The result of the bill would be the imposition of the same total six mills, however, with a different potential maximum distribution: up to three mills (maximum) going toward capital outlay, maintenance, and operations of the waterway and up to three mills (maximum) going toward the deposit to the parish road fund for construction and improvements of the roads in the parish in which the commission is located.

# **REVENUE EXPLANATION**

# The impact on local government revenues is neutral.

The bill would allow qualifying districts (Cane River Waterway District) to levy an annual tax not exceeding three mills on the dollar of assessed valuation on all taxable property lying within the district. Such funds are to be deposited into the parish road fund and used solely for construction and improvement of roads in the parish in which the commission/district is located. The bill further requires the commission to reduce any existing property tax millage levied by the commission/district by an equal amount of the new levy.

The Cane River Waterway District is currently authorized to levy six mills per year which produces approximately \$1,951,614 per year in revenue. While the bill authorizes three mills (approximately \$976,000 per year) for a new purpose (road improvements and construction) it requires a reduction of an equivalent amount (approximately \$976,000) on the existing millage (waterway district capital outlay, maintenance, and operations). As a result, there is no overall increase in total governmental revenues, but instead a transfer of proceeds of the "new" three mills from the Waterway District to the Parish Road Fund.

<u>Senate</u>	<u>Dual Referral Rules</u> <u>House</u>	2	
13.5.1 >=	= \$100,000 Annual Fiscal Cost {S&H}	$6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}$	M. G. Battle
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}	Michael G. Battle Manager, Advisory Services