

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **HB 38** HLS 082ES 63
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

| | |
|---|--------------------------------|
| Date: March 9, 2008 9:10 PM | Author: FANNIN |
| Dept./Agy.: | Analyst: Evan Brasseaux |
| Subject: Transportation Trust Fund | |

FUNDS/FUNDING OR -\$42,410,000 GF RV See Note Page 1 of 1
 Provides for the dedication of certain revenues to transportation related matters (Item #6)

The proposed legislation provides that the Transportation Trust Fund (TTF) shall, beginning July 1, 2008, annually receive a certain percentage of vehicle sales tax until such time as it receives 100% of collections in FY 15. The avails of the taxes dedicated shall be deposited for the following purposes: 1) ninety-three percent to the TTF, and 2) seven percent to the Transportation Mobility Fund. If a deficit is projected in a particular year due to a decrease in the official forecast of the Revenue Estimating Conference (REC), the treasurer is directed to reduce the deposits required by an amount equal to the amount of the projected deficit less the amount which is authorized to be appropriated from the Budget Stabilization Fund. Deposits to the fund shall be reduced until such time as the official forecast of the REC equals or exceeds the official forecast in effect prior to the projected deficit at which time the reduction shall cease. The proposed legislation also accelerates revenues from registration and license fees and taxes on trucks and trailers into the State Highway Improvement Fund.

| EXPENDITURES | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 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> | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| REVENUES | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|-----------------|-----------------|------------------------|
| State Gen. Fd. | (\$42,410,000) | (\$74,920,000) | (\$97,680,000) | (\$166,300,000) | (\$254,700,000) | (\$636,010,000) |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$42,410,000 | \$74,920,000 | \$97,680,000 | \$166,300,000 | \$254,700,000 | \$636,010,000 |
| 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> | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

The proposed legislation may potentially reduce state general fund (SGF) revenues by approximately \$636 million through FY 13. This reduction includes the phase-in of motor vehicles sales tax revenues to the transportation trust fund (TTF) through FY 15 and the acceleration of license fees and taxes on trucks and trailers into the State Highway Improvement Fund (SHIF). The four-year phase-in has been accounted for by the Revenue Estimating Conference in its revenue projections through FY 11. Therefore, passage of this legislation will require those estimates to reflect the impact of the accelerated phase-in on SGF revenue projections for both FY 09 and FY 10 (current law would provide for 50% of collections to the SHIF in FY 09 and 75% in FY 10). There is no effect on FY11 and beyond because the official forecasts already anticipated the 100% dedication of these monies in FY11.

The fiscal note assumes that sales tax collections associated with the Tourism Promotion District (legally a local political subdivision) will not be dedicated to the the new fund created by this bill. These receipts, assumed not affected by this bill, amount to some \$2.4 million - \$2.5 million per year, on a 100% basis.

NOTE: The estimates shown above for SGF and TTF may be impacted if deficits are projected, which will result in a reduction in the deposits by an amount equal to the amount of the projected deficit less the amount which is authorized to be appropriated from the Budget Stabilization Fund as provided in Article VII, Section 10.3 (C)(2) of the Constitution of Louisiana. Deposits to the TTF shall be reduced until such time as the official forecast of the REC equals or exceeds the official forecast in effect prior to the projected deficit at which time the reduction shall cease.

Senate Dual Referral Rules

13.5.1 >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

House

6.8(F) >= \$500,000 Annual Fiscal Cost

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

H. Gordon Monk
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Legislative Fiscal Officer