

Louisiana Tax Commission
House Appropriation Committee
Information Request
December 6, 2016

- What budget adjustments have been made since the initial appropriation to your department? How much in each means of finance has been appropriated to each agency since the initial appropriation?

The Louisiana Tax Commission's existing budget is \$4,431,104 (\$2,050,077 general fund direct and \$2,381,027 statutory dedication). No budget adjustments have been made since the initial appropriation to the agency.

- Do your spending and staffing levels match the priorities of your department?

Yes. The agency's spending and staffing levels match the agency's priorities to ensure it is able to meet its constitutional and statutory mandates for example, public service and banks and insurance property assessments, public service and personal property audits, ratio studies, appraisals, hearings, etc. to effectively administer and enforce property tax assessment laws throughout the State of Louisiana to achieve accurate, fair and uniform ad valorem assessments.

- Provide the top 5 performance measures that give the outcomes in your department. How do you rank nationally based on these priority measures?

1. *Percentage of Public Service companies appraised and assessed*
2. *Percentage of Banks and Insurance Properties assessed*
3. *Number of property appraisals conducted*
4. *Number of ratio studies conducted*
5. *Percentage of Tax Rolls certified*

Data is not available showing how the agency would rank nationally based on these priority measures.

- Provide a list of all sources of revenue that are not appropriated. These funds could include restricted or off budget accounts. Also, please provide the amount anticipated to be used in FY 17, the amount in FY 18, and any balance or reserve amount for each source or revenue.

Over half (\$2,381,027) of the LTC's \$4,431,104 2016-2017 budget is funded with revenues from the Tax Commission Expense Fund which was created by RS 47:1835 primarily from fees generated from the assessment of public service and banks and insurance properties.

Per RS 47:1835, all unexpended and unencumbered monies in the fund at the close of the fiscal year shall remain in the fund. The agency expects the agency will use \$2,381,027

of the funds in 2016-2017 and \$2,348,071 in 2017-2018. At the end of 2016-2017, an estimated \$112,095 is expected to remain in the funds to support the cost of agency operations in 2017-2018.

- During the 2016 sessions, what did the department testify would be the effects of the FY17 budget on services, staffing, and contracts?

Without the passage of HB608, the proposed 32% (\$1,200,000) general fund reduction will have an immense (far larger than only the \$1,200,000 reduction) impact on the Commission and local governments. The Commission predicts that approximately 18 employees (out of a total of 39), 17 full-time and 1 part-time, will have to be laid off.

The Commission's ability to directly assess public service, banks and insurance properties will be dramatically impacted, resulting in a loss of over \$300,000,000 in ad valorem taxes to local governments of which approximately 60% of those funds support local schools, and a loss of approximately \$325,000 of the proposed budget for 2016-2017.

The Commission will not be able to meet its constitutional and statutory mandates e.g. ratio studies, banks and insurance and public service assessments, public service and personal property audits, Act 670, appraisals, hearings, cases in judiciary system, etc. The Commission currently has approximately 1,090 appeals and 60 cases in the judiciary system.

The Commission will not be able to continue to perform recent Legislative Auditor recommendations.

- Compared to FY 16, what reductions, including services, staffing, and contracts, have been made in the department in FY 17?

Compared to FY16, there have not been any reductions in services, staffing, and contracts in FY17.

- What reductions would the department make if there are mid-year reductions to the FY 17 budget?

The agency has been notified it will have a \$50,000 general fund mid-year reduction to its FY17 budget. This reduction will be to personal services due to expenditure savings from attrition.

- Provide a brief overview of the FY 18 budget request compared to FY 17 by budget unit. What increases are requested in FY 18 and why are the increases necessary, including any new or expanded programs or services to additional populations? Are there

any reductions in the FY 18 budget requests, including those as a result of annualizing reductions made in FY 17?

LTC has requested a 3.6% increase from FY 17 Existing Operating Budget to FY 18 Requested Budget, which is an increase of \$160,761.

Included in the overall increase of \$160,761 are the following:

<i>(\$32,956)</i>	<i>Non-Recurring Adjustment in acquisition FY17 funding for the replacement of computers and software that have or will reach end of life this year</i>
<i>\$13,085</i>	<i>General (or 2.2%) Inflation adjustment for operating expenses</i>
<i>\$121,534</i>	<i>Personal Services Adjustment to cover cost for performance adjustments for classified employees, career progression group adjustment adjustments, increases in state share of health insurance premium rates based on rates effective January 1, 2017</i>
<i>\$39,232</i>	<i>Funds to replace computers and printers which have or will reach 5 year equipment life cycle during requested year.</i>
<i>\$19,866</i>	<i>Increase in operating expenses for Legislative Auditor services and commercial database subscriptions of commercial sales for use by the agency's Appraisal Division</i>

- Has the department added any positions, including classified, unclassified, and other charges positions, in FY 17? If so, how many and what positions? Did the department request additional positions in the FY 18 budget request? If so, how many and what positions.

No positions were added in FY17 and no additional positions were requested in FY18 budget request.

- Provide a summary of changes in salaries from FY 16 to FY 17, including performance adjustments, promotions, or any other changes in salaries. Provide a summary of requested changes in salaries from FY 17 to FY 18, including performance adjustments, promotions, or any other changes in salaries.

FY 16 to 17 Summary of Changes in Salaries:

Performance Adjustments = \$0.00

Promotions = \$0.00

Any other changes in salaries = \$0.00

FY 17 to 18 Summary of Changes in Salaries:

Performance Adjustments = \$55,700

Promotions = \$0.00

Career progression group adjustment = \$41,486 for 9 Appraisal and 1 Public Service employees

NOTE: These numbers represent salary changes only and do not include the applicable related benefits.