

Growth Opportunity Technical Team (GOTT) Recommendations
Submitted February 25, 2008 to the Planning Commission

GOTT has been meeting twice a month since July of 2006. The last meeting occurred on January 14th of this year. Please find below the Team's final report on funding mechanisms.

The first year of meetings the Team deliberated on the issues regarding the current regulations in place and the state of infrastructure in the Parish. The Team studied the Subdivision Regulations and received information from the PZC Department's staff. Then the Team considered the question of adequate infrastructure. Staff was available from LUS, the Public Works and Traffic and Transportation Departments to discuss the state of infrastructure in the Parish. The GOTT brought recommendations regarding sewage to the Planning Commission in June of last year.

Subsequently, the Team requested a department by department needs analysis. Staff compiled the department's budget needs and compared the needs with the current property tax revenues. The Lafayette Parish Tax Assessor, Conrad Comeaux, attended many of the meetings and provided the Team with invaluable tax information. Each team member then submitted funding mechanisms to the Team. GOTT studied, deliberated and voted on each funding mechanism.

Recommended Funding Mechanisms

1. Vehicle Inspection Fee

GOTT recommends that the State enact legislation to increase the cost of vehicle inspection stickers to \$10.00 (from the current fee of \$5.25). The overall charge allowed by the state for a vehicle inspection would also have to be raised from \$10.00 to \$14.75 to account for this change. This increase would stay in the local jurisdiction in which it was collected to be placed into a mobility fund for the construction and maintenance of roads.

2. One Percent Increase in Sales Tax

GOTT recommends increasing the sales tax by one percent. These funds would be dedicated to roads and drainage. The Team discussed issues regarding dedicating taxes versus general revenue. The consensus was that the public does not trust government, and as such the only way to get a tax increase passed is to be as specific as possible about what the money would be used for.

3. Municipal Tax on Fuel

GOTT recommends that the Planning Commission ask the legislature to pass a constitutional amendment to allow Lafayette Parish the authority to collect an extra tax on gasoline.

4. Taxing Districts for Infrastructure Improvements

GOTT recommends using taxing districts to target infrastructure needs. The LCG Council would have to vote to establish the district, and the citizens in the district would have to vote to pass the additional millage. The Team concluded that people would be more likely to support the extra property tax knowing it will directly benefit them.

5. Redistribution of the Motor Vehicle Tax

GOTT recommends returning the state sales tax collected on motor vehicles to the local governments where the tax was collected. GOTT recommends lobbying the legislature to pass this proposal.

6. Tax Increment Financing Districts

Tax increment financing (TIF) is a mechanism to finance public investment and to stimulate private investment. TIFs in Louisiana have evolved into using sales tax in lieu of an incremental property tax. The TIF captures an additional sales tax and those funds are used for pre-determined improvements in that district. GOTT recommends the use of tax increment financing as a mechanism to fund targeted infrastructure.

7. Increase the Hotel/Motel Tax

GOTT recommends increasing the hotel/motel tax, with the funds to be dedicated for road improvements. Currently, the motel/hotel tax is capped at 4% and it would require legislation to increase the tax.

8. Impose a tax on cell phones

GOTT recommends instituting a one dollar per month tax on cell phone service, with the funds to be dedicated for emergency services.

9. Front Foot Assessment to Fund Infrastructure

A front foot assessment is a tax on the front footage of property for needed infrastructure. GOTT recommends project specific funding through a front foot assessment. For example, if an area is to be serviced by LUS sewer the properties abutting the roadway would share in the cost of the installation of sewer lines. LUS currently does do a front foot assessment for sewer expansion that only covers a small percentage of the infrastructure cost.

10. Legislation that would shift all transportation related taxes and user fees from the general fund to a Transportation Trust Fund

GOTT recommends that revenue from transportation taxes and user fees would be redirected to the Transportation Trust Fund to increase funding for road construction.

11. Louisiana Transportation Mobility Fund

GOTT recommends that funds generated from traffic and impaired driver fines, increased auto registration fees and truck registration fees be returned to local municipalities. These funds would be used to finance road construction. Currently, the state legislation that created Transportation Mobility Funds restricts use of funds for toll roads and at this point has no source of revenue.

12. Post Occupancy District Fees

The Team decided that this mechanism is a more equitable in that the cost would be shared by existing residents that would benefit from infrastructure improvements, like the expansion of water and sewer service. The amount assessed for an improvement or infrastructure project could be amortized over a period of years in a designated district. Therefore, GOTT recommends the use of post occupancy district fees as a funding mechanism.

13. Increase and right-size millages to increase general revenue

GOTT studied the current property tax revenues, the needs assessment and reviewed the rollback of millages. GOTT recommends that Council roll forward millages with each reassessment. The Council should also research increasing current millages for general expenditures. The Team concluded that there were many revenue needs in the Parish in addition to roads, so any increase in property tax millage should not be dedicated.