Louisiana Counties

State Summary of Transportation Funding and Finance

## **Transportation and Financial Authority:**

• Property cannot be taxes at a rate higher than four mills, unless it gets the approval of a majority of voters in a special election.

• Police jury has ultimate authority to levy taxes, contract debt, impose reasonable charges for service provision, establish county employee salaries, and appropriate funds for parish expenditures. If revenues from a real property tax increase are to be used for anything other than general purposes, the proposition for the tax increase must explicitly outline the purposes for which the revenues will be used.

• Parishes may impose a general sales and use tax outside the incorporated limits of a city at a rate not higher than 1 percent, some parishes may levy an additional sales tax with a rate up to 1 percent for general purposes. Implementation of either of these taxes must be approved by a majority of voters.

• The parish police jury may issue general obligation bonds, revenue bonds, and notes in anticipation of tax revenue for lawful purposes.

• A parish has general authority to create special districts and to confer upon them the authority to levy additional taxes for any purposes it deems proper.

• Parish police jury or legislative body is charged with the construction, laying out, improvement, charging of tolls, parking meters, and maintenance of parish roads. The parish may also assist municipalities in laying out, constructing, and repairing roads if they receive a request to do so from the municipality.

• Parishes may operate public transportation, including buses and rails, or may grant franchises to private entities to operate buses and other forms of public transport.

• One or more parishes may jointly create a railroad development district with the power to levy taxes, issue anticipation and revenue bonds, issue general obligation bonds, and exercise other powers granted for economic development purposes.

## **Funding Sources for County Transportation Projects:**

Parishes Receive:

• Each parish receives 0.5% of the gross proceeds of motor vehicle rental excise tax within its jurisdiction.

• The Parish Transportation Program provides funding for local government for road systems maintenance, mass transit and to serve as a local match for off-system roads and bridges. The sources of funding for this program are State General Fund direct and constitutionally dedicated Transportation Trust Fund revenues, amounting to no less than the revenues of one cent of the tax on gasoline and special fuels .

• Major revenue sources used by local governments include appropriations from general funds, property taxes and special assessments, bond proceeds, and other local imposts.

• The Transportation Trust Fund revenues come from a license plate registration fees and renewals, drivers’ license fees, state sales taxes on aviation fuels, and federal funds.

## **Challenges in Funding and Financing Transportation Projects:**

• State general fund aid to parishes on a per mileage formula basis for road maintenance was eliminated by state statute, creating a bigger gap between the total recommended funds and the actual operating budgets.

• The state levies a tax on car rentals that generates almost $5 million annually which is deposited in the General Fund. Diversion of this auto rental tax to transportation would produce over $230 million over the next 30 years. The auto rental tax is expected to grow about 3% annually.

## **Innovative Solutions to Funding and Financing Challenges**

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