Tax renewal failures could sink Lafayette Parish budget

Lafayette voters in April shot down two parishwide tax renewals: a 2.34-mill property tax for the Courthouse Complex and a 2.06-mill property tax for operations and maintenance at the Correctional Center.

No way to paint a rosy picture

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The future of parks, road work and drainage projects in unincorporated areas of Lafayette Parish could be grim after the failure of two tax renewals on the April 29 ballot.

Voters shot down two parishwide tax renewals: a 2.34-mill property tax for the parish courthouse complex and a 2.06-mill property tax for operations and maintenance at the parish jail.

The combined taxes generated about $10 million annually, and because the parish is required under state law to maintain a courthouse and jail, the $10 million hole might have to be plugged by big cuts elsewhere in the budget.

"There is no way to paint a rosy picture. It does put us in a really dire predicament," said City-Parish Mayor-President Joel Robideaux. City-parish government likely has a little breathing room to decide how to move forward because the legal staff believes the property taxes could still be collected this year. If so, the full effect would not be felt until the budget year that begins in November 2018.

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Discussions are underway about bringing the tax renewals back to voters.

"I can't imagine us operating without some millages for the jail and the courthouse," Robideaux said. The impact of the lost tax revenue would be on the parish side of city-parish government's split budget.

The annual revenue for the parish general fund, where city-parish officials say they would have to go to fill the $10 million budget shortfall, is about $122 million, said Lorrie Toups, city-parish chief financial officer.

She said much of the money is already budgeted for legally mandated parish obligations, such as financial support for the District Attorney’s and Registrar of Voters’ offices and judges.

What's left on the chopping block are some of the basic government services in unincorporated areas of the parish, including parks, roads, drainage and fire protection.

"This kind of makes it an impossible task to provide all the services people want from government," Robideaux said.

The tax failure comes as the parish side of the city-parish budget was already hurting because tax revenue outside of the city has not kept pace with the growing demand for services.

A citizens committee created by the City-Parish Council to explore financial solutions returned last year with a list of recommendations that included new tax revenue.

A committee of council members began meeting earlier this year to dig deeper into the issue, but the group announced after the tax failure that it had suspended discussions until further notice.

Councilman Bruce Conque, who has long talked of the need to address the parish side of the budget, said the failure of the tax renewals is a major setback.

"This is critical," he said. "This was bad even before losing the tax."

The parish side of the budget would be unworkable if the courthouse and jail taxes are not ultimately renewed, Conque said, and there is talk of trying to bring the renewals back to voters in November.

Robideaux said he wants to reach out to residents to get a feel for why the tax renewals failed and to make a more focused effort on educating voters on the need for the taxes.

Both taxes have been in place for decades and easily passed with more than 60 percent of the vote when last up for renewal in 2007.

On April 29, both taxes narrowly failed, with 51 percent of voters casting no votes against both measures.

Robideaux said he suspects the taxes suffered from voter confusion about what the revenue was for and from a general anti-tax mood surrounding the Lafayette Parish School Board's proposed half-cent sales tax, which was opposed by 59 percent of voters.

All three taxes met the strongest opposition outside the city of Lafayette and likely would have passed if the elections had been held only in the city limits.

The only tax measure that did pass April 29 was in the city, where 54 percent of voters approved a renewal of a 1.13-mill property tax for city-owned public buildings.