



Chart C: Where Does the Local Tax Dollar Go?

Distribution of Orleans Parish Property, Sales, Hotel and Other Tax Revenue, 2015 Estimates

Public Education
24 cents

Public Safety
24 cents

Tourism, Conventions and Sports
14 cents

General Municipal
12 cents

Flood Protection, Drainage 8 cents

Public Transportation 7 cents

Parks, Recreation, Library 4 cents

Streets and Traffic Signals 3 cents

Other 4 cents

BGR estimates using the methodology set forth in Appendix F.

In *The \$1 Billion Question* ...

Among other things, BGR finds that:

- The scarcity of resources currently plaguing New Orleans' City government does not extend to all government entities in Orleans Parish.
- Only one-fourth of local tax revenue is available to City government for broad municipal purposes. The remainder is dedicated to specific municipal purposes or to other entities.
- These sizable dedications limit City government's ability to provide basic services and infrastructure and meet pressing financial obligations.
- The tax dedications were approved in piecemeal fashion over the course of many years with little planning and accountability. The allocation of resources that evolved from this ad hoc process has not been re-evaluated in the context of changing conditions and current needs.
- Two basic governmental functions, education and public safety, receive the largest shares of tax revenues. The third largest category for local tax revenue is tourism, conventions and sports, receiving one and a half times the percentage for flood protection and drainage. At the low end of the spectrum, the category that includes streets receives just 3.1%.
- The top tax recipient entities are the City, the public school system, the Regional Transit Authority, the Convention Center, the Louisiana Stadium and Exposition District, the Sewerage & Water Board, the east bank levee district and two tourism marketing entities.

BGR recommends the following:

It is time to review current taxes in New Orleans and identify those that are ripe for rededication to basic municipal needs. The City is the only general purpose government entity in the parish and the one in the direst financial straits. Therefore, the mayor must take the lead in pursuing all appropriate changes to local tax dedications.

1. The City should carry out an initial review focused on identifying the most clearly justified opportunities to redeploy funding to meet urgent priorities. The City should complete that review in time to craft an agenda for the 2016 legislative session. The local legislative delegation should cooperate in executing the City's agenda.
2. Next, the City should undertake a comprehensive re-evaluation of tax dedications and develop a broad plan to address the community's priorities in advance of its 2017 budget. All taxes, except those for the most basic infrastructure and services, should be placed on the table for possible rededication. The City should evaluate all such taxes, not in terms of each taxing body's ambitions, but in the larger context of the community's needs. Ultimately, this mayor should present a program for funding and executing the plan.