



Officers

J. Kelly Duncan
Chairman

Mark A. Mayer
Vice Chairman

Hardy B. Fowler
Secretary

Ludovico Feoli
Treasurer

Past Chairman

Sterling Scott Willis

President & CEO

Janet R. Howard

Board Members

Toya Barnes-Teamer
Nicolas G. Bazan
Daryl G. Byrd
Caroline Zetzmann Calhoun
J. Storey Charbonnet
Edgar L. Chase III
Joseph S. Exnicios
James P. Favrot
Vaughan Fitzpatrick
Joseph I. Giarrusso III
Richard A. Goins
Norma Grace
Glenn W. Hayes
John C. Hope, III
David A. Kerstein
Shelby P. LaSalle, Jr.
Carla L. Major
Martin Mayer
Anthony Recasner
Nathalie G. Simon
Ann Thorpe Thompson
Denise Thornton
Robert J. Whann, IV
Brent Wood
Alan J. Yacoubian
Luis Zervigon

Honorary Board

Harry J. Blumenthal, Jr.
Louis M. Freeman
Richard W. Freeman, Jr.
Ronald J. French
David Guidry
Paul M. Haygood
Hans B. Jonassen
Diana M. Lewis
Anne M. Milling
R. King Milling
George H. Porter III
Lynes R. Sloss

BUREAU OF GOVERNMENTAL RESEARCH

938 Lafayette St., Suite 200
New Orleans, LA 70113
Phone 504-525-4152
Fax 504-525-4153
www.bgr.org

BGR News Release

For Immediate Release – September 25, 2014

Contact: Janet R. Howard, *President*
(504) 525-4152, ext. 107

BGR Reviews Contracting Reform, Sheriff's Tax, Other Propositions

The Bureau of Governmental Research today releases *On the Ballot: November 4, 2014*. This report explains, analyzes and takes positions on two proposed amendments to the Home Rule Charter of the City of New Orleans, one Orleans Parish tax proposition and two constitutional amendments. Find the full analysis at www.bgr.org.

New Orleans Home Rule Charter Amendment: Contracting

Currently, the Home Rule Charter of the City of New Orleans requires broadly that all executive branch professional service contracts be awarded through a competitive selection process established by executive order of the mayor. The amendment would incorporate into the charter certain features of the professional services contracting reforms established by executive order in 2010, including a requirement that contractor selections be made by committees composed of city employees with appropriate expertise in meetings open to the public.

The amendment would also require the city to maintain a Disadvantaged Business Enterprise program and allow the chief administrative officer, rather than the director of finance, to sign contracts in the mayor's absence.

BGR Position: FOR.

The proposed amendment provides the public with more protection than the current charter provision does. However, because it fails to incorporate certain key elements of the 2010 contracting reforms, citizens will have to remain vigilant to ensure that future administrations preserve the reforms.

New Orleans Home Rule Charter Amendment: Inauguration Date

Voters in New Orleans will decide whether to move the inauguration date for the mayor and members of the City Council from the first Monday in May to the second Monday in January. This amendment to the Home Rule

Charter comes in response to a change in election dates for the mayor and the council made by the Louisiana Legislature in 2013.

BGR Position: FOR.

Moving the inauguration date would give an incoming mayor greater control over the city's finances by closely aligning the inauguration date with the beginning of the fiscal year. It would also reduce the significant gap between the date of the election and the date of the inauguration of city officials that would otherwise exist.

Orleans Parish: Property Tax for the Law Enforcement District

Currently, the Orleans Parish Law Enforcement District levies a 2.9-mill property tax dedicated to servicing general obligation bonds that voters authorized in 2008. The millage rate, which is set each year at a level necessary to cover principal and interest payments, is projected to decline in the coming years as the bonds are retired.

The district is proposing a new, 10-year tax that would essentially capture for other purposes the portion of the millage that the district would no longer need for debt service. The new tax would be levied at 2.9 mills minus the rate of the current tax. As a result, the millage rate of the new tax would increase as the rate of the current tax decreases, keeping the total millage levied by the district at the current 2.9 mills.

The Orleans Parish Sheriff's Office could use the new tax to pay for operations, maintenance and upkeep of the parish prison and related facilities. The tax would generate an estimated \$5 million in the first year, 2015.

BGR Position: FOR.

BGR is concerned about the governance of the Law Enforcement District, and the failure of the Sheriff's Office to provide details about how the revenue from the proposed tax would be spent is troubling. But it is clear that additional revenue is needed to implement court-ordered reforms at the parish prison, and the court's oversight provides greater confidence that the sheriff will spend the funds appropriately. However, prior to the election, the sheriff should publicly commit to using the funds exclusively to meeting new expenses under the consent decree.

Constitutional Amendment No. 6: Taxes for Police and Fire Protection in New Orleans

Currently, the constitution authorizes the City of New Orleans to levy property taxes of up to 5 mills each for police and fire protection without applying the homestead exemption. The proposed constitutional amendment would double the maximum authorized rates for the police and fire taxes to 10 mills each.

Majorities of voters both statewide and in New Orleans would have to approve the amendment for it to take effect. Any actual tax increases would have to be approved by New Orleans voters in a subsequent election.

BGR Position: FOR.

The proposed amendment would simply allow New Orleans city government to do what every other municipality in Louisiana can already do: ask voters to approve property taxes for police and fire services that are not subject to the homestead exemption. The amendment would provide a fairer basis for levying police and fire taxes, should the voters deem them necessary.

Constitutional Amendment No. 13: Sale of Public Property in the Lower Ninth Ward

Currently, the state constitution prohibits the donation or sale of public property at less than fair market value, with some exceptions. The proposed amendment would add an exception authorizing the New Orleans City Council to sell property in the Lower Ninth Ward to qualified purchasers as defined by law at a price the Legislature may set.

If majorities of voters both statewide and in New Orleans approve the amendment, companion legislation would require the city to sell vacant lots that the New Orleans Redevelopment Authority acquired through the Road Home Homeowner Assistance Program prior to January 1, 2015. The lots would have to be sold for \$100 each to purchasers who meet certain criteria in the legislation.

BGR Position: AGAINST.

Given the extremely high vacancy rate in certain sections of the Lower Ninth Ward, a clear strategy for the future is warranted. However, the proposed amendment would open the way for the Legislature to usurp control from the city and NORA over the decidedly local issue of neighborhood redevelopment. The companion legislation is also seriously flawed. It lacks adequate safeguards to ensure that property is redeveloped. The sale price set forth in the legislation is arbitrary and would cause NORA to lose money on each sale. Finally, allowing state lawmakers to order local government entities to sell property under terms set by the Legislature sets a bad precedent that could be expanded to other jurisdictions.

* * * *

BGR is a private, nonprofit, independent research organization. Since its founding in 1932, it has been dedicated to informed public policy-making and the effective use of public resources in the Greater New Orleans area. For more information call 504-525-4152 or visit BGR's website, www.bgr.org.

- ### -