



Suit challenges conveyance fee

Livingston Parish officials say loss of revenue would break budget

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LIVINGSTON -- Livingston Parish faces a class-action lawsuit that could break the parish, officials said Tuesday.

A suit filed Friday maintains that the parish's \$300 conveyance fee is unconstitutional. A state attorney general's opinion already has come to that conclusion.

The suit asks a 21st Judicial District Court judge to force the parish to refund, with interest, the conveyance fees that individuals have paid since September, when the fees went into effect.

Revenue from the fees represents about 19 percent of the parish's general fund budget for the current year, parish Treasurer Tracie Eisworth said Tuesday afternoon.

Without income from conveyance fees, the parish budget falls deeply into the red as it had been prior to the inception of the fees, Parish President Mike Grimmer said.

"If we don't have it, it is going to bankrupt the parish," said Marshall Harris, who heads the council's Finance Committee.

The parish is counting on about \$1 million in conveyance fee revenue in this year's budget, and can't afford to take that large of a hit if the fees are cut off, he said.

The parish also collected and spent about \$270,000 in conveyance fee funds last year, parish officials said.

"The people who pay the fee are the ones who impact the parish the most," Harris said.

In most cases, they are people who are moving into the parish and adding to the infrastructure needs that the money from the fee helps to fund, he said.

With some exceptions, the ordinance set up in July by the Livingston Parish Council

requires people to pay a \$300 fee when they transfer property. The Parish President's Office collects that fee.

Attorney Robert Harrison Jr., who filed the suit on behalf of Denham Springs resident Carlene Kinchen, said his client contends that the fee is an unconstitutional tax.

"The parish government can only impose a tax in circumstances authorized by the Louisiana Constitution and specifically authorized by the Legislature," Harrison said. "There is simply no constitutional or legislative provision which authorized the parish to impose a documentary transfer tax."

In February, an opinion by the Attorney General's Office said that the parish does not have the authority to levy the fee.

At that time, the parish "refused to acknowledge the unconstitutionality of the ordinance and rejected the notion of providing refunds to the affected taxpayers," the suit states. "Livingston Parish has deliberately ignored the Attorney General's opinion and continues to levy and collect the Documentary Transaction Tax."

Grimmer said that the parish has an attorney's opinion that says it can collect that tax, and he intends to continue to do that unless a court tells the parish to stop.

The suit says the tax "is an attempt to overcome deficit spending by Livingston Parish."

Without the tax, the parish will be in the red by about \$1.3 million this year, Harris said.

"We need this money," he said. "We will be in the hole."

Recent deficits, which have occurred partly because of the high cost of having to pay for housing some Livingston jail inmates outside the parish, already have eaten away most of the parish's financial reserves, Harris said.

If a court rules that the parish can't collect the conveyance fee, it will have to look at impact fees such as those charged in other parishes, which will be a lot more expensive to the builders of new homes, Grimmer said.

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