

HOUSE SUMMARY OF SENATE AMENDMENTS

House Bill No. 420 by Representative Gallot

TAX/SEVERANCE TAX: (Constitutional Amendment) Increases the general severance tax allocation to parishes

Synopsis of Senate Amendments

1. Provides that, after all other severance tax allocations have been satisfied, 50% of the revenues received from severance taxes collected on state lands within the Atchafalaya Basin shall be remitted to the parishes where the severance occurs, not to exceed \$10 million, to be used in order to fund projects contained in the state or federal Basin master plans or an annual Basin plan developed by an Atchafalaya Basin Research and Promotion Board and such other advisory or approval boards which the legislature must create or provide for by law within the Atchafalaya Basin Program, or to provide match for the Atchafalaya Basin Floodway System, Louisiana Project.
2. Provides that 75% of the monies remitted to such parishes shall be used for water management, water quality, or access projects, and the remaining 25% may be used to complete ongoing projects and for projects that are in accordance with the mission statement of the state master plan.
3. Conflicting technical amendments to correct ballot language.

Digest of Bill as Finally Passed by Senate

Present constitution provides that 1/5 of the severance tax on all natural resources other than sulphur, lignite, or timber shall be remitted to the governing authority of the parish in which severance or production occurs. The initial maximum amount remitted to the parish in which severance or production occurs shall not exceed \$850,000.

Proposed constitutional amendment increases the maximum amount of the severance tax imposed and collected by the state on natural resources, other than sulphur, lignite, and timber, which is remitted to the parish governing authority where the severance occurs from \$850,000 to \$2,850,000, effective July 1, 2009.

Proposed constitutional amendment provides that at least 50% of the funds received by a parish shall be dedicated to the parish transportation fund.

Present constitution provides that the maximum amount remitted shall be increased each July 1, beginning in 2008, by an amount equal to the average annual increase in the Consumer Price Index for all urban consumers, as published by the U.S. Dept. of Labor, for the previous calendar year, as calculated and adopted by the Revenue Estimating Conference.

Proposed constitutional amendment retains the CPI increase provision.

Proposed constitutional amendment provides that, after all other severance tax allocations have been satisfied, 50% of the revenues received from severance taxes collected on state lands within the Atchafalaya Basin shall be remitted to the parishes where the severance occurs, not to exceed \$10 million, to be used in order to fund projects contained in the state or federal Basin master plans or an annual Basin plan developed by an Atchafalaya Basin Research and Promotion Board and such other advisory or approval boards which the legislature must create or provide for by law within the Atchafalaya Basin Program, or to provide match for the Atchafalaya Basin Floodway System, Louisiana Project.

Proposed constitutional amendment provides that 75% of the monies shall be used for water management, water quality, or access projects within the Atchafalaya Basin, and the remaining 25% may be used to complete ongoing projects and for projects that are in accordance with the mission statement of the state master plan.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 4, 2008.

(Amends Const. Art. VII, §4(D)(3); Adds Const. Art. VII, §4(D)(4) and (5))