

**CONFERENCE COMMITTEE REPORT
House Bill No. 765 By Representative Gallot**

June 25, 2009

To the Honorable Speaker and Members of the House of Representatives and the Honorable President and Members of the Senate.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning House Bill No. 765 by Representative Gallot, recommend the following concerning the Re-Reengrossed bill:

1. That the Senate Committee Amendments proposed by the Senate Committee on Revenue and Fiscal Affairs and adopted by the Senate on June 21, 2009, be rejected.
2. That the Senate Floor Amendments proposed by Senator Marionneaux and adopted by the Senate on June 22, 2009, be rejected.
3. That the following amendments to the re-reengrossed bill be adopted:

AMENDMENT NO. 1

On page 1, line 2, after "Proposing to" delete "amend Article VII, Section 4(D)(3)" and insert "add Article VII, Section 4(D)(4)"

AMENDMENT NO. 2

On page 1, delete lines 4, 5, and 6 in their entirety and insert the following:

"by the state; to provide with respect to the use and allocation of certain severance tax revenues; to provide for amounts remitted to parish governing authorities; to require the deposit of a certain amount of proceeds of severance taxes and royalties collected under certain conditions into the Atchafalaya Basin Conservation Fund; to establish the Atchafalaya Basin Conservation Fund as a special treasury fund; to provide for the use and investment of monies deposited into the fund; to provide an effective date; and to provide for related matters."

AMENDMENT NO. 3

On page 1, at the beginning of line 10, delete "amend Article VII, Section 4(D)(3)" and insert "add Article VII, Section 4(D)(4)"

AMENDMENT NO. 4

On page 1, delete lines 16 and 17 in their entirety, and on page 2, delete lines 1 through 19 in their entirety and insert the following:

"(4) Effective April 1, 2012, the provisions of this Subparagraph shall be implemented if and when the last official forecast of revenues adopted for a fiscal year before the start of that fiscal year contains an estimate of severance tax revenues derived from natural resources other than sulphur, lignite, or timber in an amount which exceeds the actual severance tax revenues from such natural resources collected in Fiscal Year 2008-2009. Upon the adoption of such official forecast, the Revenue Estimating Conference shall certify that the requirements for the implementation of the provisions contained in this Subparagraph have been met. In such event, the following distributions and allocations of severance tax revenues and

other revenues provided in this Subparagraph shall be effective and implemented for the fiscal year for which the official forecast was adopted, and each year thereafter. The legislature shall provide by law for the administrative procedures necessary to change the severance tax allocation to parishes from a calendar year basis to a fiscal year basis.

(a) Remittance to parishes.

(i) In the first fiscal year of implementation of this Subparagraph, the maximum amount of severance tax on all natural resources other than sulphur, lignite, or timber which is remitted to the parish in which severance or production occurs shall not exceed one million eight hundred fifty thousand dollars. For all subsequent fiscal years, the maximum amount remitted to a parish shall not exceed two million eight hundred fifty thousand dollars.

(ii) On July first of each year the maximum amount remitted to the parish in which severance or production occurs, as provided in Item (i) of this Subsubparagraph, shall be increased by an amount equal to the average annual increase in the Consumer Price Index for all urban consumers for the previous calendar year, as published by the United States Department of Labor, which amount shall be as calculated and adopted by the Revenue Estimating Conference.

(iii) Of the total amount of severance tax revenues remitted in a fiscal year to a parish governing authority pursuant to the provisions of this Subparagraph, any portion which is in excess of the amount of such tax revenues remitted to that parish in Fiscal Year 2011-2012 shall be known as "excess severance tax". At least fifty percent of the excess severance tax received by a parish governing authority in a fiscal year shall be expended within the parish in the same manner and for the same purposes as monies received by the parish from the Parish Transportation Fund.

(b) Deposit into the Atchafalaya Basin Conservation Fund.

(i) Notwithstanding any other provision of this constitution to the contrary, after allocation of money to the Bond Security and Redemption Fund as provided in Article VII, Section 9(B) of this constitution, and after satisfying the required allocations in Subsubparagraph (a) of this Subparagraph, Paragraph (E) of this Section, and Article VII, Sections 10-A and 10.2 of this constitution, an amount equal to fifty percent of the revenues received from severance taxes and royalties on state lands in the Atchafalaya Basin, but not to exceed ten million dollars each fiscal year, shall be deposited by the treasurer into the Atchafalaya Basin Conservation Fund, hereinafter referred to as the "fund", which is hereby created as a special fund in the state treasury. The monies in the fund shall be invested by the treasurer in the manner provided by law, and interest earned on the investment of these monies shall be deposited in and credited to the fund. All unexpended or unencumbered monies remaining in the fund at the end of the fiscal year shall remain in the fund.

(ii) The monies in the fund shall be used exclusively for projects contained in the state or federal Basin master plans or an annual Basin plan developed and approved by the advisory or approval board created by law specifically for that purpose, or to provide match for the Atchafalaya Basin Floodway System, Louisiana Project. Each year's plan for the expenditure of monies appropriated from the fund shall be subject to the approval of the appropriate subject matter committees of the legislature.

(iii) Of the monies appropriated in any fiscal year, eighty-five percent shall be used for water management, water quality, or access projects, and the remaining fifteen percent may be used to complete ongoing projects and for projects that are in accordance with the mission statement of the state master plan. However, no more than five percent of the monies appropriated in any fiscal year may be used for the operational costs of the program or the department."

AMENDMENT NO. 5

On page 2, between lines 20 and 21, insert the following:

"Section 2. Be it further resolved that the provisions of this amendment shall become effective on April 1, 2012."

AMENDMENT NO. 6

On page 2, at the beginning of line 21, delete "Section 2." and insert "Section 3."

AMENDMENT NO. 7

On page 2, at the beginning of line 24, delete "Section 3." and insert "Section 4."

AMENDMENT NO. 8

On page 2, delete lines 28 and 29 in their entirety, and on page 3, delete lines 1 through 8 in their entirety, and insert the following:

"To decrease the amount of taxes retained by the state on the severance of natural resources, other than sulphur, lignite, and timber, and to increase the maximum amount of such revenues which are remitted to the parish governing authority from where the severance occurs, to be implemented in the event that the official forecast of severance tax revenues for any fiscal year includes an estimate for severance tax collections which will exceed that actually collected by the state in Fiscal Year 2008-2009; to change the annual maximum amount to be remitted to a parish governing authority from eight hundred fifty thousand dollars to one million eight hundred fifty thousand dollars for the first fiscal year of implementation, which amount would increase to two million eight hundred fifty thousand dollars for the following and subsequent fiscal years; to provide for annual adjustment of the maximum amounts in accordance with the consumer price index; to require that of the revenues received by a parish governing authority under these provisions, that portion which is in excess of the amount of such revenues received in Fiscal Year 2011-2012 be used within the parish for the same purposes as monies received from the Parish Transportation Fund; to require that of the severance taxes and royalty revenues retained by the state from activity on state lands within the Atchafalaya Basin, up to ten million dollars per year be deposited into a special fund created in the state treasury to be known as the Atchafalaya Basin Conservation Fund; to provide that monies in this fund be used exclusively for conservation, improvement, and management of the Atchafalaya Basin in accordance with formal state and federal plans; to require legislative approval for and specific limitations on the use of monies appropriated from the fund. (Effective April 1, 2012.) (Adds Article VII, Section 4(D)(4))"

Respectfully submitted,

Representative Richard "Rick" Gallot, Jr.

Senator Robert "Rob" Marionneaux, Jr.

Representative Hunter Greene

Senator Robert Adley

Representative Jim Morris

Senator Troy Hebert