

Regular Session, 2009

HOUSE BILL NO. 765

BY REPRESENTATIVES GALLOT, BALDONE, BARRAS, BARROW, BURFORD, HENRY BURNS, BURRELL, CARMODY, CARTER, CHAMPAGNE, CHANDLER, DANAHAY, DIXON, DOERGE, DOWNS, FANNIN, GISCLAIR, GREENE, MICKEY GUILLORY, GUINN, HARRISON, HOFFMANN, HONEY, ROSALIND JONES, KLECKLEY, LAFONTA, LANDRY, LEBAS, LITTLE, LOPINTO, MORRIS, NOWLIN, PERRY, RICHARD, RITCHIE, ROBIDEAUX, GARY SMITH, JANE SMITH, PATRICIA SMITH, ST. GERMAIN, TEMPLET, TUCKER, WADDELL, AND WILLIAMS AND SENATOR MARIONNEAUX

1 A JOINT RESOLUTION

2 Proposing to add Article VII, Section 4(D)(4) of the Constitution of Louisiana, to decrease
3 the amount of severance tax on certain natural resources which is retained by the
4 state; to provide with respect to the use and allocation of certain severance tax
5 revenues; to provide for amounts remitted to parish governing authorities; to require
6 the deposit of a certain amount of proceeds of severance taxes and royalties collected
7 under certain conditions into the Atchafalaya Basin Conservation Fund; to establish
8 the Atchafalaya Basin Conservation Fund as a special treasury fund; to provide for
9 the use and investment of monies deposited into the fund; to provide an effective
10 date; and to provide for related matters.

11 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
12 elected to each house concurring, that there shall be submitted to the electors of the state of
13 Louisiana, for their approval or rejection in the manner provided by law, a proposal to add
14 Article VII, Section 4(D)(4) of the Constitution of Louisiana, to read as follows:

15 §4. Income Tax; Severance Tax; Political Subdivisions

16 Section 4.

17 * * *

18 (D)

19 * * *

20 (4) Effective April 1, 2012, the provisions of this Subparagraph shall be
21 implemented if and when the last official forecast of revenues adopted for a fiscal

1 year before the start of that fiscal year contains an estimate of severance tax revenues
2 derived from natural resources other than sulphur, lignite, or timber in an amount
3 which exceeds the actual severance tax revenues from such natural resources
4 collected in Fiscal Year 2008-2009. Upon the adoption of such official forecast, the
5 Revenue Estimating Conference shall certify that the requirements for the
6 implementation of the provisions contained in this Subparagraph have been met. In
7 such event, the following distributions and allocations of severance tax revenues and
8 other revenues provided in this Subparagraph shall be effective and implemented for
9 the fiscal year for which the official forecast was adopted, and each year thereafter.
10 The legislature shall provide by law for the administrative procedures necessary to
11 change the severance tax allocation to parishes from a calendar year basis to a fiscal
12 year basis.

13 (a) Remittance to parishes.

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

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

26 (iii) Of the total amount of severance tax revenues remitted in a fiscal year
27 to a parish governing authority pursuant to the provisions of this Subparagraph, any
28 portion which is in excess of the amount of such tax revenues remitted to that parish
29 in Fiscal Year 2011-2012 shall be known as "excess severance tax". At least fifty
30 percent of the excess severance tax received by a parish governing authority in a

1 fiscal year shall be expended within the parish in the same manner and for the same
2 purposes as monies received by the parish from the Parish Transportation Fund.

3 (b) Deposit into the Atchafalaya Basin Conservation Fund.

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

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

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

30 * * *

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

3 Section 3. Be it further resolved that this proposed amendment shall be submitted
 4 to the electors of the state of Louisiana at the statewide election to be held on November 2,
 5 2010.

6 Section 4. Be it further resolved that on the official ballot to be used at said election
 7 there shall be printed a proposition, upon which the electors of the state shall be permitted
 8 to vote FOR or AGAINST, to amend the Constitution of Louisiana, which proposition shall
 9 read as follows:

10 To decrease the amount of taxes retained by the state on the severance of
 11 natural resources, other than sulphur, lignite, and timber, and to increase the
 12 maximum amount of such revenues which are remitted to the parish
 13 governing authority from where the severance occurs, to be implemented in
 14 the event that the official forecast of severance tax revenues for any fiscal
 15 year includes an estimate for severance tax collections which will exceed that
 16 actually collected by the state in Fiscal Year 2008-2009; to change the annual
 17 maximum amount to be remitted to a parish governing authority from eight
 18 hundred fifty thousand dollars to one million eight hundred fifty thousand
 19 dollars for the first fiscal year of implementation, which amount would
 20 increase to two million eight hundred fifty thousand dollars for the following
 21 and subsequent fiscal years; to provide for annual adjustment of the
 22 maximum amounts in accordance with the consumer price index; to require
 23 that of the revenues received by a parish governing authority under these
 24 provisions, that portion which is in excess of the amount of such revenues
 25 received in Fiscal Year 2011-2012 be used within the parish for the same
 26 purposes as monies received from the Parish Transportation Fund; to require
 27 that of the severance taxes and royalty revenues retained by the state from
 28 activity on state lands within the Atchafalaya Basin, up to ten million dollars
 29 per year be deposited into a special fund created in the state treasury to be
 30 known as the Atchafalaya Basin Conservation Fund; to provide that monies

1 in this fund be used exclusively for conservation, improvement, and
2 management of the Atchafalaya Basin in accordance with formal state and
3 federal plans; to require legislative approval for and specific limitations on
4 the use of monies appropriated from the fund. (Effective April 1, 2012.)
5 (Adds Article VII, Section 4(D)(4))

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE