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HB 280 Original	2023 Regular Session	Bagley

Abstract: Establishes a threshold for "excess severance tax" remitted to parishes and requires parishes to use excess severance tax revenues for economic development activities and infrastructure projects.

Present constitution authorizes the state to levy severance taxes on natural resources severed from the soil or water, to be paid proportionately by the owners of those resources at the time of severance. Provides that a certain portion of the severance tax on natural resources other than sulphur, lignite, or timber shall be remitted to the governing authority of the parish in which severance or production occurs.

Proposed law provides that of the total amount of severance tax revenue remitted in a fiscal year to a parish pursuant to present constitution, any portion which is in excess of the amount of such revenue remitted to that parish in Fiscal Year 2022-2023 shall be deemed "excess severance tax". Requires that excess severance tax be used as follows:

(1)   50%, collectively, for either or both of the following:

    (a)   A regional economic development organization as defined in present law (R.S. 39:1482).

    (b)   Qualified expenditures, as defined in present law (R.S. 39:1482), related to the furtherance of economic development within the parish.

(2)   50% for transportation infrastructure, water system infrastructure, sewer system infrastructure, other infrastructure projects or programs, or any combination of these.

Effective if and when the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. ___ of this 2023 R.S. is adopted at a statewide election and becomes effective.

(Amends R.S. 47:645(B); Adds R.S. 47:645(D))