
DIGEST

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HB 656 Original

2017 Regular Session

Shadoin

Abstract: Imposes a state ad valorem tax of 5.75 on the dollar of assessed valuation of property within the state, dedicates the tax proceeds to the TOPS Fund, and requires a certain level of state general fund support be maintained for higher education in the first year in which proceeds of the tax may be appropriated.

Present constitution establishes the TOPS Fund as a special fund within the Millennium Trust in the state treasury. The source of monies for the fund is a portion of the state revenues derived from the 1998 Master Settlement Agreement with certain tobacco companies, as well as investment earnings thereon.

Present constitution limits state ad valorem taxes to 5.75 mills on the dollar of assessed valuation.

Proposed law imposes an ad valorem tax of 5.75 mills on the dollar of assessed valuation on all property subject to ad valorem taxation in the state, subject to exemptions provided for in present constitution.

Proposed law provides that the tax would be assessed, collected, and enforced in each parish in the same manner as ad valorem taxes imposed by the respective parish governing authority.

Proposed law requires the La. Tax Commission to promulgate rules and regulations as may be necessary to implement the provisions of this Section.

Proposed law requires each parish collector to transmit the avails of the tax to the state treasurer in a manner to be established by rule promulgated by the treasurer. After satisfaction of the requirements of the Bond Security and Redemption Fund, as provided in Art. VII, Sec. 9(B) of the La. Constitution, the treasurer shall deposit an amount equal to any remaining tax proceeds into the TOPS Fund. Monies in the TOPS Fund attributable to the avails of the tax shall be appropriated exclusively as follows:

- (1) Full funding of the program for scholarships for the Taylor Opportunity for Program for Students (TOPS program) in an amount determined by the Board of Regents to be sufficient for such purpose.
- (2) After satisfaction of the requirements for funding of the TOPS program, any residual monies on deposit in the TOPS Fund that are attributable to the avails of the tax shall be appropriated for the Go Grant Program administered by the Board of Regents.

Proposed law provides that for purposes of implementation of proposed law, no amounts appropriated from the TOPS Fund attributable to the avails of the tax shall supplant or replace appropriations in Fiscal Year 2020 from the state general fund for higher education. To accomplish this purpose, appropriations from the state general fund to 19-671 Board of Regents for Fiscal Year 2020 shall include an appropriation for activities that support the outcomes defined in the funding formula for higher education established by the Board of Regents in an amount equal to or exceeding the amount appropriated from the state general fund for the Taylor Opportunity Program for Students in Fiscal Year 2019.

Proposed law shall be applicable for all taxable periods beginning on or after Jan. 1, 2018.

Effective July 1, 2017.

(Adds R.S. 47:1701)