HLS 16RS-1122 ORIGINAL

2016 Regular Session

HOUSE BILL NO. 899

1

BY REPRESENTATIVE LEGER

SCHOOLS/DISTRICTS: Provides relative to the allocation of local funds by the Orleans Parish School Board for schools transferred to the Recovery School District

AN ACT

2	To amend and reenact R.S. 17:1990(C)(2)(a)(iii)(bb) and (cc), relative to funding of the
3	Recovery School District; to provide with respect to the amount of local funds to be
4	remitted by the Orleans Parish School Board; to provide relative to local revenue
5	exclusions applicable to the Orleans Parish School Board; to provide with respect to
6	the applicability of such exclusions; and to provide for related matters.
7	Notice of intention to introduce this Act has been published
8	as provided by Article III, Section 13 of the Constitution of
9	Louisiana.
10	Be it enacted by the Legislature of Louisiana:
11	Section 1. R.S. 17:1990(C)(2)(a)(iii)(bb) and (cc) are hereby amended and reenacted
12	to read as follows:
13	§1990. Recovery School District; creation; governance; operation
14	* * *
15	C.
16	* * *
17	(2)(a)
18	* * *
19	(iii)
20	* * *

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

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(bb) The total amount of the exclusions provided for in Subitem (aa) of this
Item shall not exceed six three million dollars annually. Actual expenditures in
excess of six three million dollars in any year shall be carried forward for recapture
in future years, if available.
(cc) The exclusions provided for in Subitem (aa) of this Item shall expire
upon the extinguishment of the costs associated therewith; upon however, if any
action of the board to reduce reduces the constitutional millage from the level in
effect for Fiscal Year 2009-2010, except as required pursuant to a property
reassessment, twelve months following the full settlement of Orleans Parish School
Board Special Community Disaster Loans, or the exclusions provided for in Subitem
(aa) of this Item shall expire twenty tax years from the roll forward millage adoption;
whichever occurs first.
* * *
Section 2. This Act shall become effective on July 1, 2016; if vetoed by the governor
and subsequently approved by the legislature, this Act shall become effective on July 1,
2016, or on the day following such approval by the legislature, whichever is later.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 899 Original

2016 Regular Session

Leger

Abstract: Increases the amount of local revenues that must be remitted to the Recovery School District (RSD) by the Parish of Orleans each year and extends the maximum time period for which the parish may claim certain withholdings of local revenue from the RSD.

<u>Present law</u> provides relative to the funding of schools in the RSD. Requires the state to annually appropriate sufficient funds to each RSD school in an amount equal to 100% of the state share per student of the minimum foundation program (MFP) formula funds for the city, parish, or other local public school system from which the RSD school was transferred. Further requires a local school district to remit to the RSD a certain amount of local revenue dollars for each school transferred to the RSD from the school district. The sources of such local revenue are:

- (1) Sales and use taxes, less any tax collection fee paid by the school system.
- (2) Ad valorem taxes, less any tax collection fee paid by the school system.

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(3) Earnings from sixteenth section lands owned by the school system.

Proposed law retains present law.

<u>Present law</u> authorizes the Parish of Orleans (hereafter Orleans) to withhold certain extra amounts from its local revenues that would otherwise be transferred to the RSD. Such authorized withholdings are capped at \$6 million each year. <u>Proposed law</u> changes this cap from \$6 million to \$3 million.

<u>Present law</u> further provides that the extra withholdings allowed to Orleans expire upon attainment of the following conditions:

- (1) <u>If the school board does not change millage rates</u>, upon extinguishment of the obligation for which the excluded revenue was used.
- (2) <u>If the school board reduces millage rates below the level in effect for FY 2009-2010</u>, then upon the earlier of:
 - (a) 12 months after the full settlement of Orleans Parish School Board Special Community Disaster Loans.
 - (b) 20 tax years from the roll-forward millage adoption.

<u>Proposed law</u> repeals the provision requiring expiration of the withholdings 12 months after settlement of the Special Community Disaster Loans thus providing that if the school board reduces the millage rates below the level in <u>present law</u>, the withholdings will expire 20 tax years from the roll-forward millage adoption.

Effective July 1, 2016.

(Amends R.S. 17:1990(C)(2)(a)(iii)(bb) and (cc))