



1 of such classes; to provide with respect to the Louisiana Education Quality Trust  
2 Fund including subfunds thereof; to provide with respect to the Mineral Revenue  
3 Audit and Settlement Fund; to provide with respect to the Oilfield Site Restoration  
4 Fund; to provide with respect to the Oil Spill Contingency Fund; to provide with  
5 respect to the Millennium Trust and any funds within it; to provide with respect to  
6 the Louisiana Fund; to provide with respect to the Artificial Reef Development Fund;  
7 to provide with respect to the legislature's authority to take certain actions; to provide  
8 with respect to the Hospital Stabilization Formula and Fund; to provide with respect  
9 to the Louisiana Medical Assistance Trust Fund and any accounts therein; to provide  
10 with respect to the Revenue Stabilization Trust Fund; to provide with respect to the  
11 Conservation Fund; to provide with respect to public access to certain revenue and  
12 expenditure information; to provide with respect to investment of certain monies; to  
13 provide with respect to things of value; to provide with respect to cooperative  
14 endeavors; to provide with respect to prior obligations regarding things of value; to  
15 provide with respect to release or extinguishment of certain obligations; to provide  
16 with respect to taxes; to provide with respect to valuation of property for tax  
17 purposes; to provide with respect to treatment of certain property, income, or things  
18 of value for tax purposes; to provide with respect to tax liability; to provide with  
19 respect to reduction or elimination of tax liability in certain circumstances; to  
20 provide with respect to certain payments to political subdivisions; to provide with  
21 respect to invalidation or impairment of certain taxes or obligations; to provide with  
22 respect to millage rates; to provide with respect to tax assessors; to provide with  
23 respect to tax sales; to provide with respect to liens and privileges; to provide with  
24 respect to the Revenue Sharing Fund; to provide with respect to the Louisiana  
25 Unclaimed Property Permanent Trust Fund; to make technical and conforming  
26 changes; to provide for submission of the proposed amendment to the electors; and  
27 to provide for related matters.

28 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members  
29 elected to each house concurring, that there shall be submitted to the electors of the state of

1 Louisiana, for their approval or rejection in the manner provided by law, a proposal to revise  
2 Article VII of the Constitution of Louisiana, to read as follows:

3 ARTICLE VII. REVENUE AND FINANCE

4 PART I. GENERAL PROVISIONS

5 §1. Power to Tax; Public Purpose

6 Section 1.(A) Except as otherwise provided by this constitution, the power  
7 of taxation shall be vested in the legislature, shall never be surrendered, suspended,  
8 or contracted away, and shall be exercised for public purposes only.

9 (B) The power to tax ~~may~~ shall not be exercised by any court in the state,  
10 either by ordering the levy of a tax, an increase in an existing tax, or the repeal of an  
11 existing tax exemption or by ordering the legislature or any municipal or parish  
12 governing authority or any other political subdivision or governmental entity to do  
13 so.

14 §2. Power to Tax; Limitation

15 Section 2. The levy of a new tax, an increase in an existing tax, or a repeal  
16 of an existing tax exemption shall require the enactment of a law by the favorable  
17 vote of two-thirds of the elected members of each house of the legislature.

18 ~~§2.1.~~ §3. Fees and Civil Fines; Limitation

19 ~~Section 2.1.~~ Section 3.(A) Any new fee or civil fine or increase in an existing  
20 fee or civil fine imposed or assessed by the state or any board, department, or agency  
21 in the executive branch of the state shall require the enactment of a law by the  
22 favorable vote of a two-thirds ~~vote~~ of the elected members of each house of the  
23 legislature.

24 (B) The provisions of this Section shall not apply to any department which  
25 is constitutionally created and headed by an officer who is elected by majority vote  
26 of the electorate of the state.

1       ~~§2.2. Power to Tax, Sales and Use~~ §4. Tax; Limitation

2               ~~Section 2.2. Section 4.(A) Effective January 1, 2003, the sales and use tax~~  
3       ~~rate imposed by the state of Louisiana or by a political subdivision whose boundaries~~  
4       ~~are coterminous with those of the state shall not exceed two percent of the price of~~  
5       ~~the following items:~~

6               ~~(1) Food for home consumption, as defined in R.S. 47:305(D)(1)(n) through~~  
7       ~~(r) on January 1, 2003.~~

8               ~~(2) Natural gas, electricity, and water sold directly to the consumer for~~  
9       ~~residential use.~~

10              ~~(3) Prescription drugs.~~

11              ~~(B) Effective July 1, 2003, the~~ The sales and use tax imposed by the state of  
12       Louisiana or by a political subdivision whose boundaries are coterminous with those  
13       of the state shall not apply to sales or purchases of the following items:

14              (1) Food for home consumption, as ~~defined~~ provided in R.S. 47:305(D)(1)(n)  
15       ~~through (r) on January 1, 2003~~ R.S. 47:305(C)(1) on January 1, 2027.

16              (2) Natural gas, electricity, and water sold directly to the consumer for  
17       residential use.

18              (3) Prescription drugs.

19              ~~(C)~~ (B) As used in this Section, the term "sold directly to the consumer for  
20       residential use" includes the furnishing of natural gas, electricity, or water to single  
21       private residences, including the separate private units of apartment houses and other  
22       multiple dwellings, actually used for residential purposes, which residences are  
23       separately metered or measured, regardless of the fact that a person other than the  
24       resident is contractually bound to the supplier for the charges, actually pays the  
25       charges, or is billed for the charges. The use of electricity, natural gas, or water in  
26       hotel or motel units does not constitute residential use.

27              (C) No ad valorem tax shall be imposed by the state of Louisiana or by a  
28       political subdivision on prescription drugs.

1           (D) Notwithstanding the provisions of Article VI, Section 29 of this  
2           constitution, the sales and use tax levied by a political subdivision shall apply to any  
3           sale at retail, use, lease, rental, consumption, or storage of goods, services, and other  
4           products as authorized by or required by law.

5           (E) Notwithstanding any other provision of this constitution to the contrary,  
6           all local taxing authorities are hereby authorized to amend their ordinances  
7           concerning sales and use taxes to conform any existing levy to the authority granted  
8           to those taxing authorities pursuant to applicable law.

9           ~~§2.3. §5. Power to Tax; Limitation; Sale or Transfer of Immovable Property~~  
10           Limitations

11           ~~Section 2.3. Section 5.(A) A political subdivision shall not levy a severance~~  
12           tax, income tax, inheritance tax, or tax on motor fuel.

13           (B) Effective January 1, 2027, no new sales and use tax exemption,  
14           exclusion, credit, rebate, or refund shall be enacted unless the proposed exemption,  
15           exclusion, credit, rebate, or refund is applicable to both sales and use taxes levied by  
16           the state and those levied by political subdivisions.

17           (C) No new tax or fee upon the sale or transfer of immovable property,  
18           including documentary transaction taxes or fees, or any other tax or fee, shall be  
19           levied by the state of Louisiana, by a political subdivision whose boundaries are  
20           coterminous with those of the state, or by a political subdivision, as defined in  
21           Article VI, Section 44(2) of this constitution ~~after November 30, 2011~~. A  
22           documentary transaction is any transaction pursuant to any instrument, act, writing,  
23           or document which transfers or conveys immovable property. Fees for the cost of  
24           recordation, filing, or maintenance of documents, or records effectuating the sale or  
25           transfer of immovable property, impact fees for development of property, annual  
26           parcel fees, and ad valorem taxes shall not be considered taxes or fees upon the sale  
27           or transfer of immovable property.

1        ~~§3.~~ §6. Collection of Taxes

2                ~~Section 3.~~ Section 6.(A) The legislature shall prohibit the issuance of process  
3        to restrain the collection of any tax. It shall provide a complete and adequate remedy  
4        for the prompt recovery of an illegal tax paid by a taxpayer.

5                (B)(1) Notwithstanding any contrary provision of this constitution, sales and  
6        use taxes levied by political subdivisions shall be collected by a single collector for  
7        each parish or by a central collection commission established prior to July 1, 1992,  
8        that remains in effect. ~~On or before July 1, 1992, all political subdivisions within~~  
9        ~~each parish which levy a sales and use tax shall agree between and among~~  
10        ~~themselves to provide for the collection of such taxes by a single collector or a~~  
11        ~~central collection commission.~~ The legislature, by general law, shall provide for the  
12        collection of sales and use taxes, levied by political subdivisions, by a central  
13        collection commission in those parishes where a single collector or a central  
14        collection commission has not been established by July 1, 1992.

15                (2) The legislature, by local law enacted by two-thirds of the elected  
16        members of each house of the legislature, may establish an alternate method of  
17        providing for a single collector or a central collection commission in each parish.

18                (3) Except when authorized by the unanimous agreement of all political  
19        subdivisions levying a sales and use tax within a parish, only those political  
20        subdivisions levying a sales and use tax shall be authorized to act as the single  
21        collector or participate on any commission established for the collection of ~~such~~  
22        those taxes.

23                (4) The legislature shall provide for the prompt remittance to the political  
24        subdivisions identified on the taxpayers' returns of funds collected pursuant to the  
25        provisions of this Paragraph by a single collector or under any other centralized  
26        collection arrangement.

27                (5) The provisions of ~~this Paragraph~~ Subparagraphs 1 and 2 shall not apply  
28        in those parishes which have a single collector or a centralized collection  
29        arrangements as of July 1, 1992, that remains in effect.

1            (C) Taxes collected on behalf of a taxing authority by any collector shall be  
2            held in trust by the collector and shall be the property of the taxing authority for  
3            which they are collected.

4            (D) Nothing in this Paragraph or in Article VI of this constitution shall  
5            impede the operations or funding of the Uniform Local Sales Tax Board established  
6            by law. Notwithstanding any other provision of this constitution to the contrary, the  
7            Uniform Local Sales Tax Board shall exercise any authority provided to it by law;  
8            however, any change to the membership or reduction in the authority of the board  
9            shall be by law enacted by a vote of two-thirds of the elected members of each house  
10           of the legislature.

11        ~~§4.~~ §7. Income Tax; Severance Tax; Political Subdivisions Tax

12           ~~Section 4.(A) Income Tax.~~ Section 7. Equal and uniform taxes may be  
13           levied on net incomes, and these taxes may be graduated according to the amount of  
14           net income. However, the maximum state individual rate shall not exceed four and  
15           three-quarters percent for tax years beginning after December 31, 2021. ~~Federal~~  
16           ~~income taxes paid may be allowed as a deductible item in computing state income~~  
17           ~~taxes for the same period as provided by law.~~ For tax years beginning after  
18           December 31, 2026, a person sixty-five years of age or older shall be entitled to an  
19           additional standard deduction equal to the amount applicable for a single individual.

20        §8. Severance Tax

21           ~~(B) Severance Tax.~~ (1) Section 8.(A) Taxes may be levied by the state on  
22           natural resources severed from the soil or water, to be paid proportionately by the  
23           owners thereof at the time of severance. ~~Natural resources may be classified for the~~  
24           ~~purpose of taxation. Such taxes may be predicated upon either the quantity or value~~  
25           ~~of the products at the time and place of severance.~~ No further or additional tax or  
26           license shall be levied or imposed upon oil, gas, or sulphur leases or rights. ~~No~~  
27           ~~additional value shall be added to the assessment of land by reason of the presence~~  
28           ~~of oil, gas, or sulphur therein or their production therefrom. However, sulphur in~~  
29           ~~place shall be assessed for ad valorem taxation to the person, firm, or corporation~~

1        ~~having the right to mine or produce the same in the parish where located, at no more~~  
2        ~~than twice the total assessed value of the physical property subject to taxation,~~  
3        ~~excluding the assessed value of sulphur above ground, as is used in sulphur~~  
4        ~~operations in such parish. Likewise, the severance tax shall be the only tax on~~  
5        ~~timber; however, standing timber shall be liable equally with the land on which it~~  
6        ~~stands for ad valorem taxes levied on the land.~~

7                ~~(2) Notwithstanding the provisions of Subparagraph (1) of this Paragraph,~~  
8        ~~the presence of oil or gas or the production thereof, may be included in the~~  
9        ~~methodology to determine the fair market value of an oil or gas well for ad valorem~~  
10       ~~taxes.~~

11                ~~(C) Political Subdivisions; Prohibitions. A political subdivision of the state~~  
12       ~~shall not levy a severance tax, income tax, inheritance tax, or tax on motor fuel.~~

13                ~~(D)(1) Severance Tax Allocation. (B) One-third of the sulphur severance~~  
14       ~~tax, but not to exceed one hundred thousand dollars; one-third of the lignite~~  
15       ~~severance tax, but not to exceed one hundred thousand dollars; one-half of severance~~  
16       ~~tax on brine that is not produced as an incident to the production of oil and gas,~~  
17       ~~unless the brine is saved, retained, used, or sold for the purpose of extracting the~~  
18       ~~constituent parts, minerals, elements, or compounds; one-fifth of the severance tax~~  
19       ~~on all natural resources, other than sulphur, lignite, brine, or timber; ~~but not to~~~~  
20       ~~exceed five hundred thousand dollars; and three-fourths of the timber severance tax~~  
21       ~~shall be remitted to the governing authority of the parish in which severance or~~  
22       ~~production occurs. The legislature by law may do any of the following:~~

23                ~~(1) Increase or decrease the proportion of tax avails to be remitted for any~~  
24       ~~of the severance taxes pursuant to the provisions of this Paragraph.~~

25                ~~(2) Establish an annual maximum that may be remitted pursuant to the~~  
26       ~~provisions of this Paragraph for any of the severance taxes, provided that the~~  
27       ~~limitation shall not be an amount less than the amount provided for on July 1, 2026.~~

28                ~~(2) Effective July 1, 1999, one-third of the sulphur severance tax, but not to~~  
29       ~~exceed one hundred thousand dollars; one-third of the lignite severance tax, but not~~

1 to exceed one hundred thousand dollars; ~~one-fifth of the severance tax on all natural~~  
2 ~~resources, other than sulphur, lignite, or timber, but not to exceed seven hundred fifty~~  
3 ~~thousand dollars; and three-fourths of the timber severance tax shall be remitted to~~  
4 ~~the governing authority of the parish in which severance or production occurs.~~

5 (3) ~~Effective July 1, 2007, one-fifth of the severance tax on all natural~~  
6 ~~resources other than sulphur, lignite, or timber shall be remitted to the governing~~  
7 ~~authority of the parish in which severance or production occurs. The initial~~  
8 ~~maximum amount remitted to the parish in which severance or production occurs~~  
9 ~~shall not exceed eight hundred fifty thousand dollars. The maximum amount~~  
10 ~~remitted shall be increased each July first, beginning in 2008, by an amount equal to~~  
11 ~~the average annual increase in the Consumer Price Index for all urban consumers, as~~  
12 ~~published by the United States Department of Labor, for the previous calendar year,~~  
13 ~~as calculated and adopted by the Revenue Estimating Conference.~~

14 (4) ~~Effective April 1, 2012, the provisions of this Subparagraph shall be~~  
15 ~~implemented if and when the last official forecast of revenues adopted for a fiscal~~  
16 ~~year before the start of that fiscal year contains an estimate of severance tax revenues~~  
17 ~~derived from natural resources other than sulphur, lignite, or timber in an amount~~  
18 ~~which exceeds the actual severance tax revenues from such natural resources~~  
19 ~~collected in Fiscal Year 2008-2009. Upon the adoption of such official forecast, the~~  
20 ~~Revenue Estimating Conference shall certify that the requirements for the~~  
21 ~~implementation of the provisions contained in this Subparagraph have been met. In~~  
22 ~~such event, the following distributions and allocations of severance tax revenues and~~  
23 ~~other revenues provided in this Subparagraph shall be effective and implemented for~~  
24 ~~the fiscal year for which the official forecast was adopted, and each year thereafter.~~  
25 ~~The legislature shall provide by law for the administrative procedures necessary to~~  
26 ~~change the severance tax allocation to parishes from a calendar year basis to a fiscal~~  
27 ~~year basis.~~

28 (a) ~~Remittance to parishes.~~

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

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

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

20           ~~(E) (C) Royalties Allocation.~~ One-tenth of the royalties from mineral leases  
21           on state-owned ~~land, lake and~~ land and lake, river ~~beds~~ beds, and other water  
22           bottoms belonging to the state or the title to which is in the public for mineral  
23           development shall be remitted to the governing authority of the parish in which  
24           severance or production occurs. A parish governing authority may fund these  
25           royalties into general obligation bonds of the parish in accordance with law. The  
26           provisions of this Paragraph shall not apply to properties comprising the Russell  
27           Sage Wildlife and Game Refuge.

28           ~~§4.1. Cigarette Tax Rates~~

1           ~~Section 4.1. To ensure revenue for the dedication provided for in Article VII,~~  
2           ~~Section 10.8(C)(2)(c) of this constitution, the rate of the tax levied pursuant to R.S.~~  
3           ~~47:841(B)(3) shall not be less than the rate set forth in that provision as it exists on~~  
4           ~~January 1, 2012.~~

5           ~~§5.~~ §9. Motor Vehicle License Tax

6           ~~Section 5.~~ Section 9. The legislature shall impose an annual license tax of not  
7           more than one dollar per each one thousand dollars of actual value on automobiles  
8           for private use based on the actual value of the vehicle, as provided by law.  
9           However, the annual license tax shall not be less than ten dollars per automobile for  
10          private use. On other motor vehicles, the legislature shall impose an annual license  
11          tax based upon carrying capacity, horsepower, value, weight, or any of these. After  
12          satisfying the requirements of Section 9(B) of this Article, and after satisfying  
13          pledges respecting that portion of the revenues attributable to the tax rates in effect  
14          at the time of such pledges for the payment of obligations for bonds or other  
15          evidences of indebtedness ~~and upon the creation of a Transportation Trust Fund~~  
16          ~~within this constitution,~~ indebtedness, the revenues from the license tax on  
17          automobiles for private use shall be deposited ~~therein~~ in the Transportation Trust  
18          Fund. ~~In the event no such trust fund is established in this constitution, the revenues~~  
19          ~~shall be used exclusively and solely as provided by law for the construction,~~  
20          ~~maintenance, and safety of the federal and state system of roads and bridges, for the~~  
21          ~~parish and municipal road systems, for the operations of the office of state police,~~  
22          ~~Department of Public Safety and Corrections or its successor, and for the payment~~  
23          ~~of any obligation for bonds issued or indebtedness incurred in connection with any~~  
24          ~~of the foregoing, which bonds may be issued as revenue bonds under Article VII,~~  
25          ~~Section 6(C) of this constitution, subject to existing pledges only as to that portion~~  
26          ~~of the tax collections attributable to the rates in effect at the time of such pledges for~~  
27          ~~the payment of any obligations for bonds or other evidences of indebtedness~~  
28          ~~outstanding on the effective date of this Section.~~ No parish or municipality may  
29          impose a license fee on motor vehicles.

1       ~~§6.~~ §10. State Debt; Full Faith and Credit Obligations

2               ~~Section 6.~~ Section 10.(A) Authorization. Unless otherwise authorized by  
3 this constitution, the state shall have no power, directly or indirectly, or through any  
4 state board, agency, commission, or otherwise, to incur debt or issue bonds except  
5 by law enacted by two-thirds of the elected members of each house of the legislature.  
6 The debt may be incurred or the bonds issued only if the funds are to be used to repel  
7 invasion; suppress insurrection; provide relief from natural catastrophes; refund  
8 outstanding indebtedness at the same or a lower effective interest rate; or make  
9 capital improvements, but only in accordance with a comprehensive capital budget,  
10 which the legislature shall adopt.

11               (B) Capital Improvements. (1) If the purpose is to make capital  
12 improvements, the nature and location and, if more than one project, the amount  
13 allocated to each and the order of priority shall be stated in the comprehensive  
14 capital budget which the legislature adopts.

15               (2) The estimated amount of debt service to be paid for capital improvements  
16 for the next fiscal year shall be stated as a separate item and by budget unit in the  
17 budget estimate required to be submitted by the governor in accordance with ~~Section~~  
18 ~~11~~ Section 25 of this Article.

19               (C) Full Faith and Credit. The full faith and credit of the state shall be  
20 pledged to the repayment of all bonds or other evidences of indebtedness issued by  
21 the state directly or through any state board, agency, or commission pursuant to the  
22 provisions of Paragraphs (A) and (B) ~~hereof.~~ of this Section. The full faith and credit  
23 of the state is not hereby pledged to the repayment of bonds of a levee district,  
24 political subdivision, or local public agency. In addition, any state board, agency,  
25 or commission authorized by law to issue bonds, in the manner so authorized and  
26 with the approval of the State Bond Commission or its successor, may issue bonds  
27 which are payable from fees, rates, rentals, tolls, charges, grants, or other receipts or  
28 income derived by or in connection with an undertaking, facility, project, or any  
29 combination thereof, without a pledge of the full faith and credit of the state. Such

1 revenue bonds may, but are not required to, be issued in accordance with the  
2 provisions of Paragraphs (A) and (B) ~~hereof.~~ of this Section. If issued other than as  
3 provided in Paragraphs (A) and (B), such revenue bonds shall not carry the pledge  
4 of the full faith and credit of the state and the issuance of the bonds shall not  
5 constitute the incurring of state debt under this constitution. The rights granted to  
6 deep-water port commissions or deep-water port, harbor, and terminal districts under  
7 this constitution shall not be impaired by this Section.

8 (D) Referendum. The legislature, by law enacted by two-thirds of the  
9 elected members of each house, may propose a statewide public referendum to  
10 authorize incurrence of debt for any purpose for which the legislature is not herein  
11 authorized to incur debt.

12 (E) Exception. Nothing in this Section shall apply to any levee district,  
13 political subdivision, or local public agency unless the full faith and credit of the  
14 state is pledged to the payment of the bonds of the levee district, political  
15 subdivision, or local public agency.

16 (F) Limitation. (1) The legislature shall provide for the determination of a  
17 limit to the amount of net state tax supported debt which may be issued by the state  
18 in any fiscal year. Net state tax supported debt shall be defined by law. When  
19 enacted, such definition shall not be changed except by specific legislative  
20 instrument which receives a favorable vote of two-thirds of the elected members of  
21 each house of the legislature. The limitation shall be established so that ~~by Fiscal~~  
22 ~~Year 2003-2004 and thereafter~~ the amount necessary to service outstanding net state  
23 tax supported debt shall not exceed six percent of the estimate of money to be  
24 received by the state general fund and dedicated funds contained in the official  
25 forecast adopted by the Revenue Estimating Conference at its first meeting after the  
26 beginning of each fiscal year and any other money required to be included in the  
27 estimate by this Paragraph. In making such estimate, the conference shall include  
28 all amounts which are to be used to service net state tax supported debt. For  
29 purposes of this Paragraph, servicing outstanding net state tax supported debt

1 includes payments of principal, interest, and sinking fund requirements. The  
2 limitation established pursuant to this Paragraph shall not be construed to prevent the  
3 payment of debt service on net state tax supported debt.

4 (2) The limitation established pursuant to this Paragraph may be changed by  
5 passage of a specific legislative instrument by a favorable vote of two-thirds of the  
6 elected members of each house of the legislature. The limitation may be exceeded  
7 by passage of a specific legislative instrument for a project or related projects by a  
8 favorable vote of two-thirds of the elected members of each house of the legislature,  
9 provided that any debt service payment required for ~~such~~ the projects shall, once  
10 bonds have been issued in connection therewith, not be impaired in any future year  
11 by application of this limitation. The limitation established pursuant to this  
12 Subparagraph shall be deemed to be increased as necessary to accommodate any  
13 projects approved to exceed this limit if approved as provided in this Paragraph, but  
14 only as long as there are bonds outstanding for the projects.

15 (3) Except as provided in Subparagraph (2) of this Paragraph, the State Bond  
16 Commission shall not approve the issuance of any net state tax supported debt, the  
17 debt service requirement of which would cause the limit herein established to be  
18 exceeded.

19 ~~§7.~~ §11. State Debt; Interim Emergency ~~Board~~ Board; Composition; Powers

20 ~~Section 7.~~ Section 11. (A) Composition. The Interim Emergency Board is  
21 created. It shall be composed of the governor, lieutenant governor, state treasurer,  
22 presiding officer of each house of the legislature, chairman of the Senate Finance  
23 Committee, and chairman of the House Appropriations Committee, or their  
24 designees.

25 (B) Powers. (1) Between sessions of the legislature, when the board by  
26 majority vote determines that an emergency or impending flood emergency exists,  
27 it may appropriate from the state general fund or borrow on the full faith and credit  
28 of the state an amount to meet the emergency. The appropriation may be made or  
29 the indebtedness incurred only for a purpose for which the legislature may

1 appropriate funds and then only after the board obtains, as provided by law, the  
2 written consent of two-thirds of the elected members of each house of the legislature.

3 (2) For the purposes of this Paragraph, an emergency is an event or  
4 occurrence not reasonably anticipated by the legislature and an impending flood  
5 emergency shall be an anticipated situation which endangers an existing flood  
6 protection structure. The appropriation or indebtedness incurred for an impending  
7 flood emergency shall not exceed two hundred fifty thousand dollars for any one  
8 event or occurrence. For an impending emergency to qualify for funding it must be  
9 determined as such by the United States Army ~~Corp~~ Corps of Engineers or the  
10 United States Coast Guard. Total funding for ~~such~~ impending emergencies shall not  
11 exceed twenty-five percent of the funds annually available to the Interim Emergency  
12 Board.

13 (C) Limits. The aggregate of indebtedness outstanding at any one time and  
14 the amount appropriated from the state general fund for the current fiscal year under  
15 the authority of this Section shall not exceed one-tenth of one percent of total state  
16 revenue receipts for the previous fiscal year.

17 (D) Allocation. An amount sufficient to pay indebtedness incurred during  
18 the preceding fiscal year under the authority of this Section is allocated, as a first  
19 priority, each year from the state general fund.

20 ~~§8:~~ §12. State Bond Commission

21 ~~Section 8:~~ Section 12.(A) Creation. The State Bond Commission is created.  
22 Its membership and authority shall be determined by law.

23 (B) Approval of Bonds. No bonds or other obligations shall be issued or  
24 sold by the state, directly or through any state board, agency, or commission, or by  
25 any political subdivision of the state, unless prior written approval of the bond  
26 commission is obtained.

27 (C) Contesting State Bonds. Bonds, notes, certificates, or other evidences  
28 of indebtedness of the ~~state (hereafter~~ state, hereafter referred to as "~~bonds~~") "bonds",  
29 shall not be invalid because of any irregularity or defect in the proceedings or in the

1 issuance and sale thereof and shall be incontestable in the hands of a bona fide  
 2 purchaser or holder. The issuing agency, after authorizing the issuance of bonds by  
 3 resolution, shall publish once in the official journal of the state, as provided by law,  
 4 a notice of intention to issue the bonds. The notice shall include a description of the  
 5 bonds and the security therefor. Within thirty days after the publication, any person  
 6 in interest may contest the legality of the resolution, any provision of the bonds to  
 7 be issued pursuant to it, the provisions securing the bonds, and the validity of all  
 8 other provisions and proceedings relating to the authorization and issuance of the  
 9 bonds. If no action or proceeding is instituted within the thirty days, no person may  
 10 contest the validity of the bonds, the provisions of the resolution pursuant to which  
 11 the bonds were issued, the security of the bonds, or the validity of any other  
 12 provisions or proceedings relating to their authorization and issuance, and the bonds  
 13 shall be presumed conclusively to be legal. Thereafter no court shall have authority  
 14 to inquire into such matters.

15 ~~§9.~~ §13. State Funds

16 ~~Section 9.~~ Section 13.(A) Deposit in State Treasury. All money received by  
 17 the state or by any state board, agency, or commission shall be deposited  
 18 immediately upon receipt in the state treasury, except ~~that~~ monies received:

19 (1) as a result of ~~grants or donations~~ grants, donations, or other forms of  
 20 assistance when the terms and conditions thereof or of agreements pertaining thereto  
 21 require otherwise;

22 (2) by trade or professional associations;

23 (3) by the employment security administration fund or its successor;

24 (4) by retirement system funds;

25 (5) by state agencies operating under authority of this constitution  
 26 preponderantly from fees and charges for the shipment of goods in international  
 27 maritime trade and commerce; and

28 (6) by a state board, agency, or commission, but pledged by it in connection  
 29 with the issuance of revenue bonds as provided in Paragraph (C) of Section ~~6~~ 10 of

1 this Article, other than any surplus as may be defined in the law authorizing such  
2 revenue bonds.

3 (B) Bond Security and Redemption Fund. Subject to contractual obligations  
4 existing on the effective date of this constitution, all state money deposited in the  
5 state treasury shall be credited to a special fund designated as the Bond Security and  
6 Redemption Fund, except money received as the result of grants or donations or  
7 other forms of assistance when the terms and conditions thereof or of agreements  
8 pertaining thereto require otherwise. In each fiscal year an amount is allocated from  
9 the bond security and redemption fund sufficient to pay all obligations ~~which~~ that are  
10 secured by the full faith and credit of the state and ~~which~~ become due and payable  
11 within the current fiscal year, including principal, interest, premiums, sinking or  
12 reserve fund, and other requirements. Thereafter, except as otherwise provided by  
13 law, money remaining in the fund shall be credited to the state general fund.

14 (C) Exception. Nothing in this Section shall apply to a levee district or  
15 political subdivision unless the full faith and credit of the state is pledged to the  
16 payment of the bonds of the levee district or political subdivision.

17 ~~§10. §14. Expenditure of State Funds Revenue~~

18 ~~Section 10. Section 14.~~(A) Revenue Estimating Conference. The Revenue  
19 Estimating Conference shall be composed of four members: the governor, or his  
20 designee, the president of the senate, or his designee, the speaker of the house or his  
21 designee, and a faculty member of a university or college in Louisiana who has  
22 expertise in forecasting revenues. Changes to the membership beyond the four  
23 members shall be made by law enacted by a favorable vote of two-thirds of the  
24 elected members of each house of the legislature.

25 (B) Official Forecast. The conference shall prepare and publish initial and  
26 revised estimates of money to be received by the state general fund and dedicated  
27 funds for the current and next fiscal years which are available for appropriation. In  
28 each estimate, the conference shall designate the money in the estimate which is  
29 recurring and which is nonrecurring. All conference decisions to adopt these

1 estimates shall be by unanimous vote of its members. Changes to the unanimous  
2 vote requirement shall be made by law enacted by a favorable vote of two-thirds of  
3 the elected members of each house of the legislature. The most recently adopted  
4 estimate of money available for appropriation shall be the official forecast.

5 (C) Expenditure ~~Limit.~~ and Government Growth Limits. (1) Expenditure  
6 Limit. (a) The legislature shall provide for the determination of an expenditure limit  
7 for each fiscal year to be established during the first quarter of the calendar year for  
8 the next fiscal year. However, the expenditure limit for the 1991-1992 Fiscal Year  
9 shall be the actual appropriations from the state general fund and dedicated funds for  
10 that year except funds allocated by Article VII, Section 4, Paragraphs (D) and (E).  
11 For subsequent fiscal years, the limit shall not exceed the expenditure limit for the  
12 current fiscal year plus an amount equal to that limit times a positive growth factor.  
13 The growth factor is the average annual percentage rate of change of personal  
14 income for Louisiana as defined and reported by the United States Department of  
15 Commerce for the three calendar years prior to the fiscal year for which the limit is  
16 calculated.

17 ~~(2)~~ (b) The expenditure limit may be changed in any fiscal year by a  
18 favorable vote of two-thirds of the elected members of each house. Any such change  
19 in the expenditure limit shall be approved by passage of a specific legislative  
20 instrument which clearly states the intent to change the limit.

21 ~~(3)~~ (c) Beginning with the 1995-1996 Fiscal Year, the expenditure limit shall  
22 be determined in accordance with the provisions of Paragraph (J) of this Section.  
23 The redetermination of the expenditure limit for each fiscal year from the 1991-1992  
24 Fiscal Year through the 1994-1995 Fiscal Year shall only be used in computing the  
25 expenditure limit for the 1995-1996 Fiscal Year and shall not affect the expenditure  
26 limit already computed in accordance with this Paragraph for such fiscal years.

27 ~~(4) The provisions of this Paragraph shall not apply to or affect funds~~  
28 ~~allocated by Article VII, Section 4, Paragraphs (D) and (E).~~

1           (2) Government Growth Limit. (a) Beginning with the 2027-2028 Fiscal  
2           Year, there shall be a limit for each fiscal year above which appropriation of  
3           recurring revenue from the State General Fund (Direct) means of finance shall only  
4           be made for the purposes provided in this Subparagraph. Such limit shall be known  
5           as the Government Growth Limit and shall be established by the Revenue Estimating  
6           Conference no later than the first quarter of the calendar year for the next fiscal year.  
7           The legislature shall establish procedures by law for the calculation and application  
8           of such limit.

9           (b) Recurring revenue amounts recognized in the official forecast for the  
10          State General Fund (Direct) means of finance above the Government Growth Limit  
11          and below the expenditure limit may be appropriated only for nonrecurring expenses.  
12          For the purposes of this Item, the term "nonrecurring expense" means an expense  
13          that is not of a continuing or recurring character and that in the normal course of  
14          administration is not expected to be necessary in approximately the same amounts  
15          each year.

16          (c) The legislature may provide by law for exceptions to Subsubparagraph  
17          (b) of this Subparagraph.

18          (d) A Government Growth Limit may be changed by a favorable vote of  
19          two-thirds of the elected members of each house of the legislature if each of the  
20          growth factors for any of the three fiscal years immediately preceding the year to be  
21          changed was two and one-half percent or less. Any change in the Government  
22          Growth Limit authorized by this Subsubparagraph shall be approved by passage of  
23          a specific legislative instrument which clearly states the intent to change the limit.

24          (3) The provisions of this Paragraph shall not apply to or affect funds  
25          allocated by Article VII, Section 8, Paragraphs (B) and (C).

26          (D) Appropriations. (1) Except as otherwise provided by this constitution,  
27          money shall be drawn from the state treasury only pursuant to an appropriation made  
28          in accordance with law. Appropriations from the state general fund and dedicated  
29          funds except funds allocated by Article VII, ~~Section 4, Paragraphs (D) and (E)~~

1        Section 8, Paragraphs (B) and (C) shall not exceed the expenditure limit for the fiscal  
2        year.

3                (2) Except as otherwise provided in this constitution, the appropriation or  
4        allocation of any money designated in the official forecast as nonrecurring shall be  
5        made only for the following purposes:

6                (a) Retiring or for the defeasance of bonds in advance or in addition to the  
7        existing amortization requirements of the state.

8                (b)(i) Providing for payments against the unfunded accrued liability of the  
9        public retirement systems which are in addition to any payments required for the  
10       annual amortization of the unfunded accrued liability of the public retirement  
11       systems, as required by Article X, Section 29(E)(2)(c) of this constitution; however,  
12       any such payments to the public retirement systems shall not be used, directly or  
13       indirectly, to fund cost-of-living increases for such systems.

14               (ii) ~~For Fiscal Year 2015-2016 through Fiscal Year 2023-2024, the~~  
15       ~~legislature shall appropriate no less than ten percent of any money designated in the~~  
16       ~~official forecast as nonrecurring to the Louisiana State Employees' Retirement~~  
17       ~~System and the Teachers' Retirement System of Louisiana for application to the~~  
18       ~~balance of the unfunded accrued liability of such systems existing as of June 30,~~  
19       ~~1988, in proportion to the balance of such unfunded accrued liability of each such~~  
20       ~~system. Any such payments to the public retirement systems shall not be used,~~  
21       ~~directly or indirectly, to fund cost-of-living increases for such systems.~~

22               (iii) ~~For Fiscal Year 2024-2025 and each fiscal year thereafter, the~~ The  
23       legislature shall appropriate no less than twenty-five percent of any money  
24       designated in the official forecast as nonrecurring to the state retirement systems for  
25       application to their unfunded accrued liability. Money appropriated pursuant to this  
26       Item shall be applied by the receiving system to its outstanding positive amortization  
27       bases in the order in which they were created, from oldest to newest. The legislature  
28       may provide by law for a formula to distribute the nonrecurring money between  
29       those state retirement systems that have unfunded accrued liability. If the legislature

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 has not provided by law for a distribution formula, nonrecurring money shall be  
2 appropriated pursuant to this Item to each system in the proportion that the system's  
3 total unfunded accrued liability bears to the total of all state system unfunded  
4 accrued liability, using the most recent system valuations adopted by the Public  
5 Retirement Systems' Actuarial Committee or its successor. Any payment to a state  
6 retirement system made pursuant to the provisions of this Item shall not be used,  
7 directly or indirectly, to fund cost-of-living increases for such system.

8 (c) Providing funding for capital outlay projects in the comprehensive state  
9 capital budget.

10 (d) ~~Providing~~ Unless prohibited by the provisions of Article VII, Section 15  
11 of this constitution, providing for allocation or appropriation for deposit into the  
12 Budget Stabilization Fund established in Article VII, Section ~~10.3~~ 15 of this  
13 constitution.

14 (e) Providing for allocation or appropriation for deposit into the Coastal  
15 Protection and Restoration Fund established in Article VII, Section ~~10.2~~ 17 of this  
16 constitution.

17 (f) Providing for new highway construction for which federal matching  
18 funds are available, without excluding highway projects otherwise eligible as capital  
19 projects under other provisions of this constitution.

20 (3)(a) The legislature shall provide by law for the payment by the state of  
21 supplements to the salaries of full-time local law enforcement and fire protection  
22 officers of the state. No law shall reduce any payments by the state provided as a  
23 supplement to the salaries of full-time local law enforcement and fire protection  
24 officers of the state. ~~Beginning with the fiscal year which begins July 1, 2003, the~~  
25 The legislature shall appropriate funds sufficient to fully fund the cost of such state  
26 supplement to the salaries of full-time law enforcement and fire protection officers.

27 (b) For the purposes of this Subparagraph, local law enforcement and fire  
28 protection officers shall mean and include the same classes of officers which are  
29 eligible for such state salary supplements under the law as of July 1, 2003.

1 (c) Full funding as required in Subsubparagraph (a) of this Subparagraph  
2 shall be equal to the amount which is required to meet the requirements of law.

3 (d) Neither the governor nor the legislature may reduce an appropriation  
4 made pursuant to this Subparagraph except that the governor may reduce such an  
5 appropriation using means provided in the Act containing the appropriation,  
6 provided that two-thirds of the elected members of each house of the legislature  
7 consent to any such reduction in writing.

8 (E) Balanced Budget. Appropriations ~~by the legislature~~ from the state  
9 general fund and dedicated funds for any fiscal ~~year year~~, except funds allocated by  
10 Article VII, ~~Section 4, Paragraphs (D) and (E)~~ Section 8, Paragraphs (B) and (C),  
11 shall not exceed the official forecast in effect at the time the appropriations are made.  
12 Appropriations of recurring revenue from the state general fund and dedicated funds,  
13 shall comply with the provisions of Subparagraph (C)(2) of this Section.

14 (F) Projected Deficit. (1) The legislature by law shall establish a procedure  
15 to determine if appropriations will exceed the official forecast and an adequate  
16 method for adjusting appropriations in order to eliminate a projected deficit. Any  
17 law establishing a procedure to determine if appropriations will exceed the official  
18 forecast and methods for adjusting appropriations, including any constitutionally  
19 protected or mandated allocations or appropriations, once enacted, shall not be  
20 changed except by specific legislative instrument which receives a favorable vote of  
21 two-thirds of the elected members of each house of the legislature. Notwithstanding  
22 the provisions of Article III, Section 2 of this constitution, such law may be  
23 introduced and considered in any regular session of the legislature.

24 (2)(a) Notwithstanding any other provision of this constitution to the  
25 contrary, adjustments to any constitutionally protected or mandated allocations or  
26 appropriations, and transfer of monies associated with such adjustments, are  
27 authorized when state general fund allocations or appropriations have been reduced  
28 in an aggregate amount equal to at least seven-tenths of one percent of the total of  
29 such allocations and appropriations for a fiscal year. Such adjustments may not

1 exceed five percent of the total appropriation or allocation from a fund for the fiscal  
2 year. For purposes of this Subsubparagraph, reductions to expenditures required by  
3 Article VIII, Section 13(B) of this constitution shall not exceed one percent and ~~such~~  
4 ~~reductions~~ shall not be applicable to instructional activities included within the  
5 meaning of instruction pursuant to the Minimum Foundation Program formula.  
6 Notwithstanding any other provisions of this constitution to the contrary, monies  
7 transferred as a result of such budget adjustments are deemed available for  
8 appropriation and expenditure in the year of the transfer from one fund to another,  
9 but in no event shall the aggregate amount of any transfers exceed the amount of the  
10 deficit.

11 (b) Notwithstanding any other provision of this constitution to the contrary,  
12 for the purposes of the budget estimate and enactment of the budget for the next  
13 fiscal year, when the official forecast of recurring revenues for the next fiscal year  
14 is at least one percent less than the official forecast for the current fiscal year, the  
15 following procedure may be employed to avoid a budget deficit in the next fiscal  
16 year. An amount not to exceed five percent of the total appropriations or allocations  
17 for the current fiscal year from any fund established by law or this constitution shall  
18 be available for expenditure in the next fiscal year for a purpose other than as  
19 specifically provided by law or this constitution. For the purposes of this  
20 Subsubparagraph, an amount not to exceed one percent of the current fiscal year  
21 appropriation for expenditures required by Article VIII, Section 13(B) of this  
22 constitution shall be available for expenditures for other purposes in the next fiscal  
23 year. Notwithstanding any other provisions of this constitution to the contrary,  
24 monies made available as authorized under this Subsubparagraph may be transferred  
25 to a fund for which revenues have been forecast to be less than the revenues in the  
26 current fiscal year for such fund. Monies transferred as a result of the budget actions  
27 authorized by this Subsubparagraph are deemed available for appropriation and  
28 expenditure, but in no event shall the aggregate amount of any such transfers exceed

1 the amount of the difference between the official forecast for the current fiscal year  
2 and the next fiscal year.

3 (c) The legislature may provide by law for the implementation of the  
4 provisions of this Subparagraph.

5 (3) If within thirty days of the determination that appropriations will exceed  
6 the official forecast the necessary adjustments in appropriations are not made to  
7 eliminate the projected deficit, the governor shall call a special session of the  
8 legislature for this purpose unless the legislature is in regular session. This special  
9 session shall commence as soon as possible as allowed by the provisions of this  
10 constitution, including but not limited to Article III, Section 2(B).

11 (4) The provisions of Subparagraphs (1) and (2) of this Paragraph shall not  
12 be applicable to, nor affect:

13 (a) The Bond Security and Redemption Fund or any bonds secured thereby,  
14 or any other funds pledged as security for bonds or other evidences of indebtedness.

15 (b) The allocations provided for by Article VII, ~~Section 4(D) and (E)~~ Section  
16 8, Paragraphs (B) and (C) of this constitution.

17 (c) The contributions made in accordance with Article X, Section 29(E) of  
18 this constitution.

19 (d) The Louisiana Education Quality Trust Fund as defined in Article VII,  
20 Section ~~10.1~~ 20(A)(1) of this constitution.

21 (e) The Millennium Trust as provided in Article VII, Section ~~10.8~~ 21 of this  
22 constitution, except for appropriations from the trust.

23 (f) Any monies not required to be deposited in the state treasury as provided  
24 in Article VII, Section ~~9~~ 13 of this constitution.

25 (g) The Medicaid Trust Fund for the Elderly created under the provisions of  
26 R.S. 46:2691 et seq.

27 ~~(h) The Revenue Stabilization Trust Fund, as provided in Article VII,~~  
28 ~~Section 10.15 of this constitution.~~

1           ~~(f)~~(h) The Louisiana Unclaimed Property Permanent Trust Fund, as provided  
2           in Article VII, Section ~~28~~ 43 of this Constitution.

3           (G) Year End Deficit. If a deficit exists in any fund at the end of a fiscal  
4           year, that deficit shall be eliminated no later than the end of the next fiscal year.

5           (H) Publication. The legislature shall have published a regular statement of  
6           receipts and expenditures of all state money at intervals of not more than one year.

7           (I) Public Purpose. No appropriation shall be made except for a public  
8           purpose.

9           (J) Definition of Funds. For the purposes of this Article, the state general  
10          fund and dedicated funds shall be all money required to be deposited in the state  
11          treasury, except that money the origin of which is:

- 12           (1) The federal government.
- 13           (2) Self-generated collections by any entity subject to the policy and  
14          management authority established by Article VIII, Sections 5 through 7.
- 15           (3) A transfer from another state agency, board, or commission.
- 16           (4) The provisions of this Paragraph shall not apply to or affect funds  
17          allocated by Article VII, ~~Section 4, Paragraphs (D) and (E)~~ Section 8, Paragraphs (B)  
18          and (C).

19          §15. Budget Stabilization Fund

20           Section 15.(A) There is hereby established in the state treasury a Budget  
21          Stabilization Fund, hereafter referred to in this Section as the "fund". After  
22          compliance with the provisions of Article VII, Section 13(B) of this constitution  
23          relative to the Bond Security and Redemption Fund, the treasurer shall make deposits  
24          into the fund as follows:

- 25           (1) All money available for appropriation from the state general fund and  
26          dedicated funds in excess of the expenditure limit, except funds allocated by Article  
27          VII, Section 8, Paragraphs (B) and (C) of this constitution.
- 28           (2) Twenty-five percent of any money designated in the official forecast as  
29          nonrecurring as provided in Article VII, Section 14(D)(2) of this constitution.

1           (3) Any money appropriated or transferred to the fund by the legislature.

2           (4) An amount equivalent to the money received by the state from the federal  
3           government for the reimbursement of costs associated with a federally declared  
4           disaster, not to exceed the amount of costs appropriated out of the fund for the same  
5           disaster pursuant to Subparagraph (C)(3) of this Section.

6           (B) Money in the fund shall be invested as provided by law. Earnings  
7           realized in each fiscal year on the investment of monies in the fund shall be  
8           deposited to the credit of the fund. All unexpended and unencumbered monies in the  
9           fund at the end of the fiscal year shall remain in the fund.

10          (C) The money in the fund shall not be available for appropriation or use  
11          except under the following conditions:

12           (1) If the official forecast of recurring money for the next fiscal year is less  
13           than the official forecast of recurring money for the current fiscal year, the  
14           difference, not to exceed one-third of the fund shall be incorporated into the next  
15           year's official forecast only after the consent of two-thirds of the elected members  
16           of each house of the legislature is obtained. If the legislature is not in session, the  
17           two-thirds consent requirement shall be obtained by procedures provided by law.

18           (2) If a deficit for the current fiscal year is projected due to a decrease in the  
19           official forecast, an amount equal to one-third of the fund not to exceed the projected  
20           deficit may be appropriated after the consent of two-thirds of the elected members  
21           of each house of the legislature is obtained. If the legislature is not in session, the  
22           two-thirds consent requirement shall be obtained by procedures provided by law.

23           (3) If there is a federally declared disaster in the state, up to one-third of the  
24           fund, not to exceed the state costs associated with the disaster, may be appropriated  
25           after the consent of two-thirds of the elected members of each house of the  
26           legislature is obtained. If the legislature is not in session, the two-thirds consent  
27           requirement shall be obtained by procedures provided by law.

28           (4) In no event shall the amount included in the official forecast for the next  
29           fiscal year pursuant to Subparagraph (1) of this Paragraph, plus the amount

1 appropriated in the current fiscal year pursuant to Subparagraph (2) of this  
2 Paragraph, plus the amount appropriated pursuant to Subparagraph (3) of this  
3 Paragraph exceed one-third of the fund balance at the beginning of the current fiscal  
4 year.

5 (5) No appropriation or deposit to the fund shall be made if such  
6 appropriation or deposit would cause the balance in the fund to exceed seven and  
7 one-half percent of total state revenue receipts for the previous fiscal year.

8 §16. Transportation Trust Fund

9 Section 16.(A) Creation of fund. There shall be established in the state  
10 treasury a special trust fund known as the Transportation Trust Fund ("the trust  
11 fund") in which shall be deposited the "excess revenues" as defined herein which are  
12 a portion of the avails received in each year from all taxes levied on gasoline and  
13 motor fuels and on special fuels (said avails referred to as the "revenues") as  
14 provided herein. After satisfying pledges respecting that portion of the revenues  
15 attributable to the tax rates in effect at the time of such pledges for the payment of  
16 obligations for bonds or other evidences of indebtedness on January 1, 1990, the  
17 treasurer shall allocate such portion of the revenues received in each year as  
18 necessary to pay all principal, interest, premium, if any, and other obligations  
19 incident to the issuance, security, and payment in respect of bonds as authorized in  
20 Paragraph (C) of this Section. Thereafter, the portion of the revenues remaining shall  
21 be deposited in the Bond Security and Redemption Fund in the state treasury. After  
22 (1) the payment of any obligations for bonds or other evidences of indebtedness in  
23 existence on January 1, 1990, which are secured by revenues; (2) payments in  
24 respect of bonds authorized in Paragraph (C) of this Section; and (3) credit to the  
25 Bond Security and Redemption Fund, the treasurer shall deposit in and credit to the  
26 trust fund all of the revenues remaining (the "excess revenues") from the avails of  
27 all taxes levied on gasoline and motor fuels and on special fuels. Purchases of  
28 gasoline, diesel fuel, or special fuels which are subject to excise tax under Chapter  
29 7 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950 shall be exempt

1 from the state sales tax and any sales tax levied by a political subdivision as defined  
2 by Article VI, Section 44(2). All monies appropriated by the Federal Highway  
3 Administration and the Federal Aviation Administration, or their successors, either  
4 reimbursed or paid directly, shall be paid directly or deposited in and credited to the  
5 trust fund.

6 (B)(1) Except as provided for in Subparagraph (2) of this Paragraph, the  
7 monies in the trust fund shall be appropriated or dedicated solely and exclusively for  
8 the costs for and associated with construction and maintenance of the roads and  
9 bridges of the state and federal highway systems, the Statewide Flood-Control  
10 Program or its successor, ports, airports, transit, and the Parish Transportation Fund  
11 or its successor and for the payment of all principal, interest, premium, if any, and  
12 other obligations incident to the issuance, security, and payment in respect of bonds  
13 or other obligations payable from the trust fund as authorized in Paragraph (D) of  
14 this Section. Unless pledged to the repayment of bonds authorized in Paragraphs (C)  
15 or (D) of this Section, the monies in the trust fund allocated to ports, airports, flood  
16 control, parish transportation, and state highway construction shall be appropriated  
17 annually by the legislature only pursuant to programs established by law which  
18 establish a system of priorities for the expenditure of such monies, except that the  
19 Transportation Infrastructure Model for Economic Development, which shall include  
20 only those projects enumerated in House Bill 17 of the 1989 First Extraordinary  
21 Session of the Legislature and US Highway 61 from Thompson Creek to the  
22 Mississippi Line, in lieu of "US 61-Bains to Mississippi Line", and US Highway 165  
23 from I-10 to Alexandria to Monroe to Bastrop and thence on US Highway 425 from  
24 Bastrop to the Arkansas Line, in lieu of "US 165-I-10 Alexandria-Monroe-Bastrop-  
25 Arkansas Line" and LA 15-Natchez, Mississippi to Chase in lieu of "LA 15-Natchez,  
26 Mississippi to Monroe", shall be funded as provided by law. The state-generated tax  
27 monies appropriated for ports, Parish Transportation Fund, or its successor, and the  
28 Statewide Flood-Control Program, or its successor shall not exceed twenty percent  
29 annually of the state-generated tax revenues in the trust fund; provided, however, that

1        no less than the avails of one cent of the excise tax on gasoline and special fuels shall  
2        be appropriated each year to the Parish Transportation Fund, or its successor. The  
3        annual appropriation for airports shall be a sum equal to, but not greater than, the  
4        annual estimated revenue to be derived from the state taxes to be collected and  
5        received on aviation fuel. Unencumbered and unexpended balances at the end of  
6        each fiscal year shall remain in the trust fund. The earnings realized in each fiscal  
7        year on the investment of monies in the trust fund shall be deposited in and credited  
8        to the trust fund.

9            (2) There is hereby established in the Transportation Trust Fund a special  
10        subfund to be known as the "Construction Subfund", hereinafter referred to as "the  
11        subfund". The monies in the subfund shall be appropriated and dedicated solely for  
12        the direct costs associated with actual project delivery, construction, and  
13        maintenance of transportation and capital transit infrastructure projects of the state  
14        and local government. The monies in the subfund that are appropriated by the  
15        legislature to the Department of Transportation and Development, or its successor,  
16        shall not be utilized by the department for the payment of employee wages and  
17        related benefits or employee retirement benefits.

18            (C) The State Bond Commission or its successor, may issue and sell bonds,  
19        notes, or other obligations ("Bonds") secured by a pledge of a portion of the revenues  
20        not to exceed the avails of four cents per gallon of the taxes on gasoline and motor  
21        fuels and on special fuels received by the state treasurer. Bonds so issued may also  
22        be secured by a pledge of all or a portion of excess revenues as additional security  
23        therefor, and if so pledged any portion thereof needed to pay principal, interest, or  
24        premium, if any, and other obligations incident to the issuance, security, and  
25        payment in respect to Bonds may be expended by the treasurer without the need for  
26        legislative appropriation. The Bonds may be issued in the manner set forth in this  
27        Section to provide for the costs for and associated with construction and maintenance  
28        of the roads and bridges of the state and federal highway systems, Statewide Flood-  
29        Control Program, ports, airports, and for any other purpose for which monies in the

1 trust fund may be expended as provided by law. Such Bonds shall not be considered  
2 to be debt under Article VII, Section 10 of this constitution, unless the provisions of  
3 Article VII, Section 10, relative to incurring debt by the state are met, in which case  
4 the full faith and credit of the state may also be pledged in addition to the revenues  
5 received by the treasurer.

6 (D) The State Bond Commission or its successor may also issue and sell  
7 bonds, notes, or other obligations secured by a pledge of the excess revenues  
8 deposited in the trust fund, which shall otherwise be issued in the manner and for the  
9 purposes provided for in this Section, and if so pledged any portion thereof needed  
10 to pay principal, interest, or premium, if any, and other obligations incident to the  
11 issuance, security, and payment in respect thereof may be expended by the treasurer  
12 without the need for legislative appropriation.

13 (E) Bonds, notes, or other obligations issued pursuant to the provisions of  
14 Paragraphs (C) or (D) of this Section may be issued in the manner provided by  
15 resolution of the State Bond Commission or its successor under the authority of said  
16 Paragraphs without compliance with any other requirement of this constitution or  
17 law. Paragraphs (C) and (D) of this Section shall be deemed self-operative.

18 §17. Coastal Protection and Restoration Fund

19 Section 17.(A) There shall be established in the state treasury the Coastal  
20 Protection and Restoration Fund to provide a dedicated, recurring source of revenues  
21 for the development and implementation of a program to protect and restore  
22 Louisiana’s coastal area.

23 (B) The money in the fund shall be invested as provided by law and any  
24 earnings realized on investment of money in the fund shall be deposited in and  
25 credited to the fund. Money from donations, transfers, appropriations, or dedications,  
26 may be deposited in and credited to the fund. Any unexpended money remaining in  
27 the fund at the end of the fiscal year shall be retained in the fund.

28 (C) The money in the fund may be appropriated for purposes consistent with  
29 the Coastal Protection Plan developed by the Coastal Protection and Restoration

1 Authority or its successor. No appropriation shall be made from the fund inconsistent  
2 with the purposes of the plan.

3 (D)(1)(a) Subject to Section 13(B) of this Article, in each fiscal year, the  
4 federal revenues that are received by the state generated from Outer Continental  
5 Shelf energy production, including but not limited to oil and gas activity, wind  
6 energy, solar energy, tidal energy, wave energy, geothermal energy, and other  
7 alternative or renewable energy production or sources, and eligible, as provided by  
8 federal law, to be used for the purposes of this Paragraph shall be deposited and  
9 credited by the treasurer to the Coastal Protection and Restoration Fund.

10 (b) Federal revenues credited to the Coastal Protection and Restoration Fund  
11 pursuant to this Paragraph shall be used only for the purposes of coastal protection,  
12 including conservation, coastal restoration, hurricane protection, and infrastructure  
13 directly impacted by coastal wetland losses.

14 (2) The treasurer shall deposit in and credit to the Coastal Protection and  
15 Restoration Fund all other monies dedicated to the fund by law. Once enacted, such  
16 dedication shall not be changed except by law enacted by the favorable vote of  
17 two-thirds of the elected members of each house of the legislature.

18 §18. Permanent Trust Funds

19 Section 18. (A) Funds created by the legislature and designated as permanent  
20 trust funds shall be subject to the following restrictions:

21 (1) Except as otherwise provided in this Section, funds deposited into a  
22 permanent trust fund shall constitute its principal and shall be held in trust  
23 permanently and invested by the state treasurer as provided by law.

24 (2) Except as authorized in this constitution, no portion of the principal of a  
25 permanent trust fund, except for investment purposes as authorized by law, may be  
26 removed.

27 (3) Interest and investment earnings, including capital gains, from monies  
28 held in a permanent trust shall not constitute any portion of the principal and may be  
29 dedicated as provided by law. Once enacted, any such dedication shall not be

1 changed except by a law enacted by the favorable vote of two-thirds of the elected  
2 members of each house of the legislature.

3 (B) Unless provided otherwise by this constitution or by law, the provisions  
4 of Paragraph (A) of this Section shall apply to any subfund, fund, or account created  
5 within a permanent trust.

6 (C) A statutory fund's status as a permanent trust fund may only be changed  
7 by law enacted by the favorable vote of two-thirds of the elected members of each  
8 house of the legislature.

9 (D) Each of the following shall be permanent trust funds:

10 (1) The Millennium Trust.

11 (2) The Louisiana Unclaimed Property Permanent Trust Fund.

12 (3) The Louisiana Education Quality Trust Fund.

13 (4) Any other trust designated by law as a permanent trust fund.

14 §19. Program Funds

15 Section 19.(A) By a law enacted by the favorable vote of two-thirds of the  
16 elected members of each house, the legislature may create or designate a fund as a  
17 program fund in the state treasury. No change shall be made to a program fund  
18 except by a law enacted by the favorable vote of two-thirds of the elected members  
19 of each house of the legislature.

20 (B) Each of the following funds shall be a program fund:

21 (1) The Artificial Reef Development Fund.

22 (2) The Oil Spill Contingency Fund.

23 (3) The Oilfield Site Restoration Fund.

24 (4) The Louisiana Fund.

25 (5) The Local Revenue Fund.

26 (6) Any other fund designated by law as a program fund.

27 ~~§10.1. §20. Quality Trust Fund; Education~~

28 ~~Section 10.1. 20.(A) Louisiana Education Quality Trust Fund. (1) Effective~~  
29 ~~January 1, 1987, there shall be~~ There is hereby established in the state treasury as a

1 special permanent trust fund the Louisiana Education Quality Trust Fund, hereinafter  
2 referred to as the "Permanent Trust Fund." After allocation of money to the Bond  
3 Security and Redemption Fund as provided in Article VII, Section ~~9(B)~~ 13(B) of this  
4 constitution, and notwithstanding Article XIV, Section 10 of this constitution, the  
5 treasurer shall deposit in and credit to the Permanent Trust Fund all money which is  
6 received after the first one hundred million dollars from the federal government  
7 under Section 1337(g) of Title 43 of the United States Code which is attributable to  
8 mineral production activity or leasing activity on the Outer Continental Shelf which  
9 has been held in escrow pending a settlement between the United States and the state  
10 of Louisiana; twenty-five percent of the recurring revenues received under Section  
11 1337(g) of Title 43 of the United States Code which are attributable to mineral  
12 production activity or leasing activity on the Outer Continental Shelf; twenty-five  
13 percent of the interest income earned on investment of monies in the Permanent  
14 Trust Fund; seventy-five percent of the realized capital gains on investment of the  
15 Permanent Trust Fund, unless such percentage is changed by law enacted by the  
16 favorable vote of two-thirds of the elected members of each house of the legislature;  
17 and twenty-five percent of the dividend income earned on investment of the  
18 Permanent Trust Fund. No appropriation shall be made from the Permanent Trust  
19 Fund. If any such money has been received prior to the effective date of this Section,  
20 the treasurer shall transfer from the state general fund to the Permanent Trust Fund  
21 ~~on the effective date of this Section~~ October 30, 1986, an amount of money which  
22 shall make the Permanent Trust Fund balance equal to the amount of such money  
23 previously received, except for the first one hundred million dollars. After six  
24 hundred million dollars has been credited to the Permanent Trust Fund, the sum of  
25 fifty million dollars shall be credited to the Coastal Environment Protection Trust  
26 Fund, as established in R.S. 30:313, from those monies received from the federal  
27 government under Section 1337(g) of Title 43 of the United States Code which is  
28 attributable to mineral production activity or leasing activity on the Outer  
29 Continental Shelf and which has been held in escrow pending a settlement between

1 the United States and the state of Louisiana; all funds in excess of seven hundred  
2 fifty million dollars shall be credited to the Permanent Trust Fund.

3 (2) After allocation of money to the Bond Security and Redemption Fund as  
4 provided in Article VII, Section ~~9(B)~~ 13(B) of the constitution, and notwithstanding  
5 Article XIV, Section 10 of the constitution, seventy-five percent of the recurring  
6 revenues received under Section 1337(g) of Title 43 of the United States Code which  
7 are attributable to mineral production activity or leasing activity, and the percent  
8 remaining of the realized capital gains and interest income and dividend income  
9 earned on investment of the Permanent Trust Fund after the deposit required to the  
10 Permanent Trust Fund in Paragraph A(1) of this Section shall be deposited and  
11 credited to a special fund which is hereby created in the state treasury and which  
12 shall be known as the Louisiana Quality Education Support Fund, hereinafter  
13 referred to as the "Support Fund". The provisions of Section 18(A) of this Article  
14 shall not apply to the Support Fund.

15 (3) All recurring revenues and interest earnings shall be credited to the  
16 respective funds as provided in Subparagraphs (1) and (2) above until the balance in  
17 the Permanent Trust Fund equals two billion dollars. After the Permanent Trust  
18 Fund reaches a balance of two billion dollars, all interest earnings on the Permanent  
19 Trust Fund shall be credited to the Support Fund and all recurring revenues shall be  
20 credited to the State General Fund.

21 (B) Investment. The money credited to the Permanent Trust Fund pursuant  
22 to Paragraph (A) of this Section shall be permanently credited to the Permanent Trust  
23 Fund and shall be invested by the treasurer. Notwithstanding any provision of this  
24 constitution or other law to the contrary, a portion of money in the Permanent Trust  
25 Fund, not to exceed thirty-five percent, may be invested in stock. The legislature  
26 shall provide for procedures for the investment of such monies by law. The treasurer  
27 shall contract, subject to the approval of the State Bond Commission, for the  
28 management of such investments. The amounts in the Support Fund shall be  
29 available for appropriation to pay expenses incurred in the investment and

1 management of the Permanent Trust Fund and for educational purposes only as  
2 provided in Paragraphs (C) and (D) of this Section.

3 (C) Reports; Allocation. (1) The State Board of Elementary and Secondary  
4 Education and the Board of Regents shall annually submit to the legislature and the  
5 governor not less than sixty days prior to the beginning of each regular session of the  
6 legislature a proposed program and budget for the expenditure of the monies in the  
7 Support Fund. Proposals for such expenditures shall be designed to improve the  
8 quality of education and shall specifically designate those monies to be used for  
9 administrative costs, as defined and authorized by law.

10 (2) Except for appropriations to pay expenses incurred in the investment and  
11 management of the Permanent Trust Fund, the legislature shall appropriate from the  
12 Support Fund only for educational purposes provided in Paragraph (D) of this  
13 Section and shall appropriate fifty percent of the available funds for higher  
14 educational purposes and fifty percent for elementary and secondary educational  
15 purposes. Those monies to be used for administrative costs shall be expended for  
16 such purposes only if so approved and appropriated by the legislature.

17 (3) The legislature shall appropriate the total amount intended for higher  
18 educational purposes to the Board of Regents and the total amount intended for  
19 elementary and secondary educational purposes to the State Board of Elementary and  
20 Secondary Education which boards shall allocate the monies so appropriated to the  
21 programs as previously approved by the legislature.

22 (4) The monies appropriated by the legislature and disbursed from the  
23 Support Fund shall not displace, replace, or supplant appropriations from the general  
24 fund for elementary and secondary education, including implementing the Minimum  
25 Foundation Program, or displace, replace, or supplant funding for higher education.  
26 For elementary and secondary education and for higher education, this Paragraph  
27 shall mean that no appropriation for any fiscal year from the Support Fund shall be  
28 made for any purpose for which a general fund appropriation was made in the  
29 previous year unless the total appropriations for that fiscal year from the state general

1 fund for such purpose exceed general fund appropriations for the previous year. This  
2 Paragraph shall in no way limit general fund appropriations in excess of the  
3 minimum amounts herein established.

4 (D) Disbursement; Higher Education and Elementary and Secondary  
5 Education.

6 (1) The treasurer shall disburse not more than fifty percent of the monies in  
7 the Support Fund as that money is appropriated by the legislature and allocated by  
8 the Board of Regents for any or all of the following higher educational purposes to  
9 enhance economic development:

10 (a) The carefully defined research efforts of public and private universities  
11 in Louisiana.

12 (b) The endowment of chairs for eminent scholars.

13 (c) The enhancement of the quality of academic, research, or agricultural  
14 departments or units within a community college, college, or university. These funds  
15 shall not be used for athletic purposes or programs.

16 (d) The recruitment of superior graduate students.

17 (2) The treasurer shall disburse not more than fifty percent of the monies in  
18 the Support Fund as that money is appropriated by the legislature and allocated by  
19 the State Board of Elementary and Secondary Education for any or all of the  
20 following elementary and secondary educational purposes:

21 (a) To provide compensation to ~~city or parish school board~~ city, parish, or  
22 other local school system professional instructional employees.

23 (b) To insure an adequate supply of superior textbooks, library books,  
24 equipment, and other instructional materials.

25 (c) To fund exemplary programs in elementary and secondary schools  
26 designed to improve elementary or secondary student academic achievement or  
27 vocational-technical skill.

28 (d) To fund carefully defined research efforts, including pilot programs,  
29 designed to improve elementary and secondary student academic achievement.

1 (e) To fund school remediation programs and preschool programs.

2 (f) To fund the teaching of foreign languages in elementary and secondary  
3 schools.

4 (g) To fund an adequate supply of teachers by providing scholarships or  
5 stipends to prospective teachers in academic or vocational-technical areas where  
6 there is a critical teacher shortage.

7 ~~§10.2. Coastal Protection and Restoration Fund~~

8 Section 10.2(A) ~~There shall be established in the state treasury the Coastal~~  
9 ~~Protection and Restoration Fund to provide a dedicated, recurring source of revenues~~  
10 ~~for the development and implementation of a program to protect and restore~~  
11 ~~Louisiana's coastal area.~~

12 ~~Of revenues received in each fiscal year by the state as a result of the~~  
13 ~~production of or exploration for minerals, hereinafter referred to as mineral revenues~~  
14 ~~from severance taxes, royalty payments, bonus payments, or rentals, and excluding~~  
15 ~~such revenues received by the state as a result of grants or donations when the terms~~  
16 ~~or conditions thereof require otherwise, the treasurer shall make the following~~  
17 ~~allocations:~~

18 (1) ~~To the Bond Security and Redemption Fund as provided in Article VII,~~  
19 ~~Section 9(B) of this constitution.~~

20 (2) ~~To the political subdivisions of the state as provided in Article VII,~~  
21 ~~Sections 4(D) and (E) of this constitution.~~

22 (3) ~~As provided by the requirements of Article VII, Sections 10-A and 10.1~~  
23 ~~of this constitution.~~

24 (B)(1) ~~After making the allocations provided for in Paragraph (A), the~~  
25 ~~treasurer shall then deposit in and credit to the Coastal Protection and Restoration~~  
26 ~~Fund any amount of mineral revenues that may be necessary to insure that a total of~~  
27 ~~five million dollars is deposited into such fund for the fiscal year from this source;~~  
28 ~~provided that the balance of the fund which consists of mineral revenues from~~  
29 ~~severance taxes, royalty payments, bonus payments, or rentals shall not exceed an~~

1 amount provided by law, but in no event shall the amount provided by law be less  
2 than five hundred million dollars.

3 (2) After making the allocations and deposits provided for in Paragraphs (A)  
4 and (B)(1) of this Section, the treasurer shall deposit in and credit to the Coastal  
5 Protection and Restoration Fund as follows:

6 (a) Ten million dollars of the mineral revenues in excess of six hundred  
7 million dollars which remain after the allocations provided for in Paragraph (A) are  
8 made by the treasurer.

9 (b) Ten million dollars of the mineral revenues in excess of six hundred fifty  
10 million dollars which remain after the allocations provided in Paragraph (A) are  
11 made by the treasurer.

12 However, the balance of the fund which consists of mineral revenues from  
13 severance taxes, royalty payments, bonus payments, or rentals shall not exceed an  
14 amount provided by law, but in no event shall the amount provided by law be less  
15 than five hundred million dollars.

16 (C) The money in the fund shall be invested as provided by law and any  
17 earnings realized on investment of money in the fund shall be deposited in and  
18 credited to the fund. Money from other sources, such as donations, appropriations,  
19 or dedications, may be deposited in and credited to the fund; however, the balance  
20 of the fund which consists of mineral revenues from severance taxes, royalty  
21 payments, bonus payments, or rentals shall not exceed an amount provided by law,  
22 but in no event shall the amount provided by law be less than five hundred million  
23 dollars. Any unexpended money remaining in the fund at the end of the fiscal year  
24 shall be retained in the fund.

25 (D) The money in the fund may be appropriated for purposes consistent with  
26 the Coastal Protection Plan developed by the Coastal Protection and Restoration  
27 Authority, or its successor.

28 No appropriation shall be made from the fund inconsistent with the purposes  
29 of the plan.

1           ~~(E)(1) Subject to Sections 9(B) and 10.1 of this Article, in each fiscal year,~~  
2           ~~the federal revenues that are received by the state generated from Outer Continental~~  
3           ~~Shelf energy production, including but not limited to oil and gas activity, wind~~  
4           ~~energy, solar energy, tidal energy, wave energy, geothermal energy, and other~~  
5           ~~alternative or renewable energy production or sources, and eligible, as provided by~~  
6           ~~federal law, to be used for the purposes of this Paragraph shall be deposited and~~  
7           ~~credited by the treasurer to the Coastal Protection and Restoration Fund.~~

8           ~~(2) Federal revenues credited to the Coastal Protection and Restoration Fund~~  
9           ~~pursuant to this Paragraph shall be used only for the purposes of coastal protection,~~  
10          ~~including conservation, coastal restoration, hurricane protection, and infrastructure~~  
11          ~~directly impacted by coastal wetland losses.~~

12          ~~(3) The fund balance limitations provided for in Paragraph (B) of this~~  
13          ~~Section relative to the mineral revenues deposited to this fund shall not apply to~~  
14          ~~revenues deposited pursuant to the provisions of this Paragraph.~~

15          ~~(F)(1) Notwithstanding the provisions of Article VII, Section 10, Article VII,~~  
16          ~~Section 10.3, Article VII, Section 10.8, or any other provision of this constitution to~~  
17          ~~the contrary, if, after July 1, 2006, the state securitizes any portion of the revenues~~  
18          ~~received from the Master Settlement Agreement executed November 23, 1998, and~~  
19          ~~approved by Consent Decree and Final Judgment entered in the case "Richard P.~~  
20          ~~Ieyoub, Attorney General, ex rel. State of Louisiana v. Philip Morris, Incorporated,~~  
21          ~~et al.," bearing Number 98-6473 on the docket of the Fourteenth Judicial District for~~  
22          ~~the parish of Calcasieu, state of Louisiana, the treasurer shall transfer to the fund~~  
23          ~~established in Paragraph A of this Section twenty percent in the aggregate of the~~  
24          ~~revenues received as a result of the securitization occurring after July 1, 2006.~~

25          ~~(2) The legislature may appropriate up to twenty percent of the funds~~  
26          ~~deposited into the fund pursuant to Subparagraph (1) of this Paragraph to the Barrier~~  
27          ~~Island Stabilization and Preservation Fund to be used for purposes of the Louisiana~~  
28          ~~Coastal Wetlands Conservation and Restoration Program.~~

1           ~~(3) The fund balance limitations provided for in Paragraph (B) of this~~  
2           ~~Section relative to the mineral revenues deposited to this fund shall not apply to~~  
3           ~~revenues deposited pursuant to the provisions of this Paragraph.~~

4           ~~§10.3. Budget Stabilization Fund~~

5           ~~Section 10.3.(A) There is hereby established in the state treasury a Budget~~  
6           ~~Stabilization Fund hereinafter referred to as the fund. Money shall be deposited in~~  
7           ~~the fund as follows:~~

8           ~~(1) All money available for appropriation from the state general fund and~~  
9           ~~dedicated funds in excess of the expenditure limit, except funds allocated by Article~~  
10          ~~VII, Section 4, Paragraphs (D) and (E), shall be deposited in the fund.~~

11          ~~(2)(a) All revenues received in each fiscal year by the state in excess of~~  
12          ~~seven hundred fifty million dollars, hereinafter referred to as the base, as a result of~~  
13          ~~the production of or exploration for minerals, hereinafter referred to as mineral~~  
14          ~~revenues, including severance taxes, royalty payments, bonus payments, or rentals,~~  
15          ~~and excluding such revenues designated as nonrecurring pursuant to Article VII,~~  
16          ~~Section 10(B) of the constitution, any such revenues received by the state as a result~~  
17          ~~of grants or donations when the terms or conditions thereof require otherwise, and~~  
18          ~~revenues derived from any tax on the transportation of minerals, shall be deposited~~  
19          ~~in the fund after the following allocations of said mineral revenues have been made:~~

20                 ~~(i) To the Bond Security and Redemption Fund as provided by Article VII,~~  
21                 ~~Section 9 (B) of this constitution.~~

22                 ~~(ii) To the political subdivisions of the state as provided in Article VII,~~  
23                 ~~Sections 4 (D) and (E) of this constitution.~~

24                 ~~(iii) As provided by the requirements of Article VII, Section 10-A and 10.1~~  
25                 ~~of this constitution.~~

26                 ~~(b) The base may be increased every ten years beginning in the year 2000~~  
27                 ~~by a law enacted by two-thirds of the elected members of each house of the~~  
28                 ~~legislature. Any such increase shall not exceed fifty percent in the aggregate of the~~  
29                 ~~increase in the consumer price index for the immediately preceding ten years.~~

1           ~~(3) Twenty-five percent of any money designated in the official forecast as~~  
2           ~~nonrecurring as provided in Article VII, Section 10(D)(2) of this constitution shall~~  
3           ~~be deposited in and credited to the fund.~~

4           ~~(4) Any money appropriated to the fund by the legislature including any~~  
5           ~~appropriation to the fund from money designated in the official forecast as provided~~  
6           ~~in Article VII, Section 10(D)(2) of this constitution shall be deposited in the fund.~~

7           ~~(5) An amount equivalent to the money received by the state from the federal~~  
8           ~~government for the reimbursement of costs associated with a federally declared~~  
9           ~~disaster, not to exceed the amount of costs appropriated out of the fund for the same~~  
10          ~~disaster pursuant to Subparagraph (C)(3) of this Section.~~

11          ~~(B) Money in the fund shall be invested as provided by law. Earnings~~  
12          ~~realized in each fiscal year on the investment of monies in the fund shall be~~  
13          ~~deposited to the credit of the fund. All unexpended and unencumbered monies in the~~  
14          ~~fund at the end of the fiscal year shall remain in the fund.~~

15          ~~(C) The money in the fund shall not be available for appropriation or use~~  
16          ~~except under the following conditions:~~

17           ~~(1) If the official forecast of recurring money for the next fiscal year is less~~  
18           ~~than the official forecast of recurring money for the current fiscal year, the~~  
19           ~~difference, not to exceed one-third of the fund shall be incorporated into the next~~  
20           ~~year's official forecast only after the consent of two-thirds of the elected members~~  
21           ~~of each house of the legislature. If the legislature is not in session, the two-thirds~~  
22           ~~requirement may be satisfied upon obtaining the written consent of two-thirds of the~~  
23           ~~elected members of each house of the legislature in a manner provided by law.~~

24           ~~(2) If a deficit for the current fiscal year is projected due to a decrease in the~~  
25           ~~official forecast, an amount equal to one-third of the fund not to exceed the projected~~  
26           ~~deficit may be appropriated after the consent of two-thirds of the elected members~~  
27           ~~of each house of the legislature. Between sessions of the legislature the~~  
28           ~~appropriation may be made only after the written consent of two-thirds of the elected~~  
29           ~~members of each house of the legislature.~~

1           ~~(3) If there is a federally declared disaster in the state, up to one-third of the~~  
2           ~~fund, not to exceed the state costs associated with the disaster, may be appropriated~~  
3           ~~after the consent of two-thirds of the elected members of each house of the~~  
4           ~~legislature. Between sessions of the legislature, the appropriation may be made only~~  
5           ~~with written consent of two-thirds of the elected members of each house of the~~  
6           ~~legislature.~~

7           ~~(4) In no event shall the amount included in the official forecast for the next~~  
8           ~~fiscal year pursuant to Subparagraph (1) of this Paragraph, plus the amount~~  
9           ~~appropriated in the current fiscal year pursuant to Subparagraph (2) of this~~  
10          ~~Paragraph, plus the amount appropriated pursuant to Subparagraph (3) of this~~  
11          ~~Paragraph exceed one-third of the fund balance at the beginning of the current fiscal~~  
12          ~~year.~~

13          ~~(5) No appropriation or deposit to the fund shall be made if such~~  
14          ~~appropriation or deposit would cause the balance in the fund to exceed four percent~~  
15          ~~of total state revenue receipts for the previous fiscal year.~~

16          ~~§10.5. Mineral Revenue Audit and Settlement Fund~~

17                 ~~Section 10.5.(A) There shall be established in the state treasury the Mineral~~  
18                 ~~Revenue Audit and Settlement Fund, hereinafter referred to as the "fund". Of~~  
19                 ~~revenues received in each fiscal year by the state through settlements or judgments~~  
20                 ~~which equal, in both principal and interest, five million dollars or more for each such~~  
21                 ~~settlement or judgment, resulting from underpayment to the state of severance taxes,~~  
22                 ~~royalty payments, bonus payments, or rentals, the treasurer shall make the following~~  
23                 ~~allocations as required:~~

24                         ~~(1) To the Bond Security and Redemption Fund as provided in Article VII,~~  
25                         ~~Section 9(B) of this constitution.~~

26                         ~~(2) To the political subdivisions of the state as provided in Article VII,~~  
27                         ~~Section 4(D) and (E) of this constitution.~~

28                         ~~(3) As provided by the requirements of Article VII, Sections 10-A, 10.1,~~  
29                         ~~10.2, and 10.3 of this constitution.~~

1           ~~(B) After making the allocations provided for in Paragraph (A), the treasurer~~  
2           ~~shall then deposit in and credit to the Mineral Revenue Audit and Settlement Fund~~  
3           ~~any such remaining revenues. Any revenues deposited in and credited to the fund~~  
4           ~~shall be considered mineral revenues from severance taxes, royalty payments, bonus~~  
5           ~~payments, or rentals for purposes of determining deposits and credits to be made in~~  
6           ~~and to the Coastal Protection and Restoration Fund as provided in Article VII,~~  
7           ~~Section 10.2 of this constitution. Any revenues deposited in and credited to the fund~~  
8           ~~shall not be considered mineral revenues for purposes of the Budget Stabilization~~  
9           ~~Fund as provided in Article VII, Section 10.3 of this constitution. Money in the fund~~  
10           ~~shall be invested as provided by law. The earnings realized in each fiscal year on the~~  
11           ~~investment of monies in the Mineral Revenue Audit and Settlement Fund shall be~~  
12           ~~deposited in and credited to the Mineral Revenue Audit and Settlement Fund.~~

13           ~~(C) After making the allocations provided for in Paragraph (A), the treasurer~~  
14           ~~shall credit thirty-five million dollars to the Coastal Protection and Restoration Fund,~~  
15           ~~and thereafter any monies credited to the fund in any fiscal year may be annually~~  
16           ~~appropriated by the legislature only for the purposes of retirement in advance of~~  
17           ~~maturity through redemption, purchase, or repayment of debt of the state, pursuant~~  
18           ~~to a plan proposed by the State Bond Commission to maximize the savings to the~~  
19           ~~state; for payments against the unfunded accrued liability of the public retirement~~  
20           ~~systems which are in addition to any payments required for the annual amortization~~  
21           ~~of the unfunded accrued liability of the public retirement systems, required by~~  
22           ~~Article X, Section 29 of this constitution; however, any such payment to the public~~  
23           ~~retirement systems shall not be used, directly or indirectly, to fund cost-of-living~~  
24           ~~increases for such systems; and for deposit in the Coastal Protection and Restoration~~  
25           ~~Fund.~~

26           ~~§10.6. Oilfield Site Restoration Fund~~

27           ~~Section 10.6.(A) Oilfield Site Restoration Fund. Effective January 4, 1996,~~  
28           ~~there shall be established in the state treasury, as a special fund, the Oilfield Site~~  
29           ~~Restoration Fund, hereinafter referred to as the restoration fund. Out of the funds~~

1 remaining in the ~~Bond Security and Redemption Fund~~ after a sufficient amount is  
2 allocated from that fund to pay all obligations secured by the full faith and credit of  
3 the state which become due and payable within any fiscal year as required by Article  
4 VII, Section 9(B) of this constitution, the treasurer shall pay into the restoration fund  
5 all of the following:

6 (1) ~~All revenue from the types and classes of fees, penalties, other revenues,~~  
7 ~~or judgments associated with site cleanup activities paid into the restoration fund as~~  
8 ~~provided by law on the effective date of this Section. Such revenue shall be~~  
9 ~~deposited in the restoration fund even if the names of such fees, other revenues, or~~  
10 ~~penalties are changed.~~

11 Any increase in the amount charged for such fees, penalties, other revenues,  
12 or judgments associated with site cleanup activities enacted by the legislature after  
13 the effective date of this Section, for the purpose of orphaned oilfield site restoration  
14 shall be irrevocably dedicated and deposited in the restoration fund.

15 (2) ~~The balance remaining on January 4, 1996 in the Oilfield Site Restoration~~  
16 ~~Fund established by law.~~

17 (3) ~~All funds or revenues which may be donated expressly to the restoration~~  
18 ~~fund.~~

19 (4) ~~All site-specific trust account funds established by law.~~

20 (B) ~~The monies in the restoration fund shall be appropriated by the~~  
21 ~~legislature to the Department of Natural Resources, or its successor, and shall be~~  
22 ~~used solely for the programs and purposes of oilfield site restoration as required by~~  
23 ~~law.~~

24 (C) ~~All unexpended and unencumbered monies in the restoration fund at the~~  
25 ~~end of the fiscal year shall remain in the fund. The monies in the fund shall be~~  
26 ~~invested by the treasurer in the manner provided by law. All interest earned on~~  
27 ~~monies invested by the treasurer shall be deposited in the fund. The treasurer shall~~  
28 ~~prepare and submit to the department on a quarterly basis a printed report showing~~  
29 ~~the amount of money contained in the fund from all sources.~~

1           ~~(D) The provisions of this Section shall not apply to or affect funds allocated~~  
2           ~~by Article VII, Section 4, Paragraphs (D) and (E).~~

3           ~~§10.7. Oil Spill Contingency Fund~~

4           ~~Section 10.7.(A) Oil Spill Contingency Fund. Effective January 4, 1996,~~  
5           ~~there shall be established in the state treasury, as a special fund, the Oil Spill~~  
6           ~~Contingency Fund, hereinafter referred to as the contingency fund. Out of the funds~~  
7           ~~remaining in the Bond Security and Redemption Fund after a sufficient amount is~~  
8           ~~allocated from that fund to pay all obligations secured by the full faith and credit of~~  
9           ~~the state which become due and payable within any fiscal year as required by Article~~  
10          ~~VII, Section 9(B) of this constitution, the treasurer shall pay into the contingency~~  
11          ~~fund all of the following, on the effective date of this Section:~~

12           ~~(1) All revenue from the types and classes of fees, taxes, penalties,~~  
13           ~~judgments, reimbursements, charges, and federal funds collected or other revenue~~  
14           ~~paid into the contingency fund as provided by law on the effective date of this~~  
15           ~~Section. Such revenue shall be deposited in the contingency fund even if the names~~  
16           ~~of such fees, taxes, penalties, judgments, reimbursements, charges, and federal funds~~  
17           ~~collected or other revenues are changed.~~

18           ~~Any increase in the amount charged for such fees, taxes, penalties,~~  
19           ~~judgments, reimbursements, charges, and federal funds collected or other revenue,~~  
20           ~~or any new fees, taxes, penalties, judgments, reimbursements, charges, and federal~~  
21           ~~funds collected or other revenue enacted by the legislature for the purposes of~~  
22           ~~abatement and containment of actual or threatened unauthorized discharges of oil~~  
23           ~~after the effective date of this Section, shall be irrevocably dedicated and deposited~~  
24           ~~in the contingency fund.~~

25           ~~(2) The balance remaining on January 4, 1996 in the Oil Spill Contingency~~  
26           ~~Fund established by law.~~

27           ~~(3) All funds or revenues which may be donated expressly to the~~  
28           ~~contingency fund.~~

1           ~~(B) The monies in the contingency fund shall be appropriated by the~~  
2           ~~legislature to be used solely for the programs and purposes of abatement and~~  
3           ~~containment of actual or threatened unauthorized discharges of oil as provided by~~  
4           ~~law; and for administrative expenses associated with such programs and purposes as~~  
5           ~~provided by law.~~

6           ~~(C) All unexpended and unencumbered monies in the contingency fund at~~  
7           ~~the end of the fiscal year shall remain in the fund. The monies in the fund shall be~~  
8           ~~invested by the treasurer in the manner provided by law. All interest earned on~~  
9           ~~monies invested by the treasurer shall be deposited in the fund. The balance of the~~  
10          ~~fund shall not exceed thirty million dollars or otherwise as provided by law.~~

11          ~~(D) The provisions of this Section shall not apply to or affect funds allocated~~  
12          ~~by Article VII, Section 4, Paragraphs (D) and (E).~~

13          ~~§10.8.~~ §21. Millennium Trust

14                 ~~Section 10.8.~~ Section 21. Millennium Trust

15                 (A) Creation

16                 (1) There shall be established in the state treasury ~~as~~ a special permanent  
17                 trust known as the "Millennium Trust". After allocation of money to the Bond  
18                 Security and Redemption Fund as provided in Article VII, ~~Section 9(B)~~ Section  
19                 13(B) of this constitution, the treasurer shall deposit in and credit to the Millennium  
20                 Trust certain monies received as a result of the Master Settlement Agreement,  
21                 hereinafter the "Settlement Agreement", executed November 23, 1998, and approved  
22                 by Consent Decree and Final Judgment entered in the case "Richard P. Ieyoub,  
23                 Attorney General, ex rel. State of Louisiana v. Philip Morris, Incorporated, et al.",  
24                 bearing Number 98-6473 on the docket of the Fourteenth Judicial District for the  
25                 parish of Calcasieu, state of Louisiana; and all dividend and interest income and all  
26                 realized capital gains on investment of the monies in the Millennium Trust. The  
27                 treasurer shall deposit in and credit to the Millennium Trust ~~the following amounts~~  
28                 ~~of monies received as a result of the Settlement Agreement:~~

1           ~~(a) Fiscal Year 2000-2001, forty-five percent of the total monies received~~  
2           ~~that year.~~

3           ~~(b) Fiscal Year 2001-2002, sixty percent of the total monies received that~~  
4           ~~year.~~

5           ~~(c) Fiscal Year 2002-2003 and each fiscal year thereafter, seventy-five~~  
6           ~~percent of the total monies received that year. each fiscal year However, beginning~~  
7           ~~in Fiscal Year 2011-2012 after the balance in the Millennium Trust reaches a total~~  
8           ~~of one billion three hundred eighty million dollars, the monies deposited in and~~  
9           ~~credited to the Millennium Trust, received as a result of the Settlement Agreement,~~  
10          ~~which shall be allocated to the various funds within the Millennium Trust as~~  
11          ~~provided in ~~Subsubparagraphs~~ Subparagraphs (2)(b), (3)(b), and (4)(b) and (c) of this~~  
12          ~~Paragraph.~~

13          ~~(d) For Fiscal Year 2000-2001, Fiscal Year 2001-2002, and Fiscal Year~~  
14          ~~2002-2003, ten percent of the total monies received in each of those years for credit~~  
15          ~~to the Education Excellence Fund which, notwithstanding the provisions of~~  
16          ~~Subparagraph (C)(1) of this Section, shall be appropriated for the purposes provided~~  
17          ~~in Subsubparagraph (d) of Subparagraph (3) of Paragraph (C) of this Section.~~

18          (2)(a) The Health Excellence Fund shall be established as a special fund  
19          within the Millennium Trust. The treasurer shall credit to the Health Excellence  
20          Fund ~~one-third of the Settlement Agreement proceeds deposited each year into the~~  
21          ~~Millennium Trust, and one-third of all investment earnings on the investment of the~~  
22          ~~Millennium Trust. The treasurer shall report annually to the legislature as to the~~  
23          ~~amount of Millennium Trust investment earnings credited to the Health Excellence~~  
24          ~~Fund.~~

25          ~~(b) Beginning Fiscal Year 2011-2012, and each fiscal year thereafter, the~~  
26          ~~treasurer shall credit to the Health Excellence Fund one-third of all investment~~  
27          ~~earnings on the investment of the Millennium Trust. The treasurer shall report~~  
28          ~~annually to the legislature as to the amount of Millennium Trust investment earnings~~  
29          ~~credited to the Health Excellence Fund.~~

1           ~~(e)~~ (b) Beginning on July 1, 2012, after allocation of money to the Bond  
2 Security and Redemption Fund as provided in Article VII, Section ~~9(B)~~ 13(B) of this  
3 constitution, the state treasurer shall deposit in and credit to the Health Excellence  
4 Fund an amount equal to the revenues derived from the tax levied pursuant to R.S.  
5 47:841(B)(3).

6           (3)~~(a)~~ The Education Excellence Fund shall be established as a special fund  
7 within the Millennium Trust. The treasurer shall credit to the Education Excellence  
8 Fund ~~one-third of the Settlement Agreement proceeds deposited each year into the~~  
9 ~~Millennium Trust, and one-third of all investment earnings on the investment of the~~  
10 ~~Millennium Trust. The treasurer shall report annually to the legislature and the state~~  
11 ~~superintendent of education as to the amount of Millennium Trust investment~~  
12 ~~earnings credited to the Education Excellence Fund.~~

13           ~~(b)~~ Beginning Fiscal Year 2011-2012, and each fiscal year thereafter, the  
14 ~~treasurer shall credit to the Education Excellence Fund~~ one-third of all investment  
15 earnings on the investment of the Millennium Trust. The treasurer shall report  
16 annually to the legislature and the state superintendent of education as to the amount  
17 of Millennium Trust investment earnings credited to the Education Excellence Fund.

18           (4)~~(a)~~ The TOPS Fund shall be established as a special fund within the  
19 Millennium Trust. ~~The treasurer shall deposit in and credit to the TOPS Fund one-~~  
20 ~~third of the Settlement Agreement proceeds deposited into the Millennium Trust, and~~  
21 ~~one-third of all investment earnings on the investment of the Millennium Trust. The~~  
22 ~~treasurer shall report annually to the legislature as to the amount of Millennium Trust~~  
23 ~~investment earnings credited to the TOPS Fund. The provisions of Section 18(A) of~~  
24 ~~this Article shall not apply to the TOPS Fund.~~

25           ~~(b)~~ Beginning Fiscal Year 2011-2012, and each fiscal year thereafter, the  
26 The treasurer shall credit to the TOPS Fund one hundred percent of the Settlement  
27 Agreement proceeds deposited into the Millennium Trust, and one-third of all  
28 investment earnings on the investment of the Millennium Trust. The treasurer shall

1 report annually to the legislature as to the amount of Millennium Trust Settlement  
2 Agreement proceeds and investment earnings credited to the TOPS Fund.

3 ~~(c) Upon the effective date of this Subsubparagraph, the state treasurer shall~~  
4 ~~deposit, transfer, or otherwise credit funds in an amount equal to such Settlement~~  
5 ~~Agreement proceeds deposited in and credited to the Millennium Trust received by~~  
6 ~~the state between April 1, 2011 and the effective date of this Subsubparagraph to the~~  
7 ~~TOPS Fund.~~

8 (5) The amount of Settlement Agreement revenues deposited in the  
9 Millennium Trust and credited to the respective funds may be increased and the  
10 amount of such revenues deposited into the Louisiana Fund may be decreased by a  
11 specific legislative instrument which receives a favorable vote of two-thirds of the  
12 elected members of each house of the legislature.

13 (B) Investment. Monies credited to the Millennium Trust pursuant to  
14 Paragraph (A) of this Section shall be invested by the treasurer with the same  
15 authority and subject to the same restrictions as the Louisiana Education Quality  
16 Trust Fund. However, the portion of monies in the Millennium Trust which may be  
17 invested in stock may be increased to no more than fifty percent by a specific  
18 legislative instrument which receives a favorable vote of two-thirds of the elected  
19 members of each house of the legislature. The legislature shall provide for  
20 procedures for the investment of such monies by law. The treasurer may contract,  
21 subject to the approval of the State Bond Commission, for the management of such  
22 investments and, if a contract is entered into, amounts necessary to pay the costs of  
23 the contract shall be appropriated from the Millennium Trust.

24 (C) Appropriations. (1)(a) Appropriations from the Education Excellence  
25 Fund shall be limited to an annual amount not to exceed the estimated aggregate  
26 annual earnings from interest, dividends, and realized capital gains on investment of  
27 the trust allocated as provided by Paragraph (A) of this Section and as recognized by  
28 the Revenue Estimating Conference. Amounts determined to be available for  
29 appropriation shall be those aggregate investment earnings which are in excess of an

1 inflation factor as determined by the Revenue Estimating Conference. The amount  
2 of realized capital gains on investment which may be included in the aggregate  
3 earnings available for appropriation in any year shall not exceed the aggregate of  
4 earnings from interest and dividends for that year.

5 ~~(b)(i) For Fiscal Year 2011-2012, appropriations from the Health Excellence~~  
6 ~~Fund shall be limited to an annual amount not to exceed the estimated aggregate~~  
7 ~~annual earnings from interest, dividends, and realized capital gains on investment of~~  
8 ~~the trust and credited to the Health Excellence Fund as provided by Subsubparagraph~~  
9 ~~(A)(2)(b) of this Section and as recognized by the Revenue Estimating Conference.~~

10 (ii) For Fiscal Year 2012-2013, and each fiscal year thereafter,  
11 appropriations from the Health Excellence Fund shall be limited to an annual amount  
12 not to exceed the estimated aggregate annual earnings from interest, dividends, and  
13 realized capital gains on investment of the trust and credited to the Health Excellence  
14 Fund as provided by Subsubparagraph (A)(2)(b) of this Section and as recognized  
15 by the Revenue Estimating Conference and the amount of proceeds credited to and  
16 deposited into the Health Excellence Fund as provided by Subsubparagraph (A)(2)(c)  
17 of this Section.

18 (c)(i) ~~For Fiscal Year 2011-2012, appropriations from the TOPS Fund shall~~  
19 ~~be limited to the amount of Settlement Agreement proceeds credited to and deposited~~  
20 ~~into the TOPS Fund as provided by Subsubparagraphs (A)(4)(b) and (c) of this~~  
21 ~~Section, and an annual amount not to exceed the estimated aggregate annual earnings~~  
22 ~~from interest, dividends, and realized capital gains on investment of the trust and~~  
23 ~~credited to the TOPS Fund as provided by Subsubparagraph (A)(4)(b) of this Section~~  
24 ~~and as recognized by the Revenue Estimating Conference.~~

25 (ii) For Fiscal Year 2012-2013, and each fiscal year thereafter,  
26 appropriations from the TOPS Fund shall be limited to the amount of annual  
27 Settlement Agreement proceeds credited to and deposited into the TOPS Fund as  
28 provided in Subsubparagraph (A)(4)(b) of this Section, and an annual amount not to  
29 exceed the estimated aggregate annual earnings from interest, dividends, and realized

1 capital gains on investment of the trust and credited to the TOPS Fund as provided  
2 in Subsubparagraph (A)(4)(b) of this Section and as recognized by the Revenue  
3 Estimating Conference.

4 ~~(iii)~~ (ii) Further, for Fiscal Year 2011-2012, and each fiscal year thereafter,  
5 amounts determined to be available for appropriation from the TOPS Fund from  
6 interest earnings shall be those aggregate investment earnings which are in excess  
7 of an inflation factor as determined by the Revenue Estimating Conference. The  
8 amount of realized capital gains on investment which may be included in the  
9 aggregate earnings available for appropriation in any year shall not exceed the  
10 aggregate of earnings from interest and dividends for that year.

11 (2) Appropriations from the Health Excellence Fund shall be restricted to the  
12 following purposes:

13 (a) Initiatives to ensure the optimal development of Louisiana's children  
14 through the provision of appropriate health care, including children's health  
15 insurance, services provided by school-based health clinics, rural health clinics, and  
16 primary care clinics, and early childhood intervention programs targeting children  
17 from birth through age four including programs to reduce infant mortality.

18 (b) Initiatives to benefit the citizens of Louisiana with respect to health care  
19 through pursuit of innovation in advanced health care sciences, and the provision of  
20 comprehensive chronic disease management services.

21 (c) Each appropriation from the Health Excellence Fund shall include  
22 performance expectations to ensure accountability in the expenditure of such monies.

23 (3) Appropriations from the Education Excellence Fund shall be limited as  
24 follows:

25 (a) Fifteen percent of monies available for appropriation in any fiscal year  
26 from the Education Excellence Fund shall be appropriated to the state superintendent  
27 of education for distribution on behalf of all children attending private elementary  
28 and secondary schools that have been approved by the State Board of Elementary

1 and Secondary Education, both academically and as required for such school to  
2 receive money from the state.

3 (b) Appropriations shall be made each year to the Louisiana Educational  
4 Television Authority in the amount of seventy-five thousand dollars and to the  
5 Louisiana School for the Deaf, the Louisiana School for the Visually Impaired, the  
6 Louisiana Special Education Center in Alexandria, the Jimmy D. Long, Sr. Louisiana  
7 School for Math, Science, and the Arts, the New Orleans Center for Creative Arts,  
8 the Louis Armstrong High School for the Arts, and Thrive Academy, after such  
9 schools are operational, to provide for a payment to each school of seventy-five  
10 thousand dollars plus an allocation for each pupil equal to the average statewide per  
11 pupil amount provided each city, parish, and local school system pursuant to  
12 Subsubparagraph (e) of this Subparagraph.

13 (c) Appropriations may be made for independent public schools approved  
14 by the State Board of Elementary and Secondary Education or any city, parish, or  
15 other local school system, laboratory schools approved by the State Board of  
16 Elementary and Secondary Education and operated by a public postsecondary  
17 education institution, and for alternative schools and programs which are authorized  
18 and approved by the State Board of Elementary and Secondary Education but are not  
19 subject to the jurisdiction and management of any city, parish, or local school system  
20 to provide for an allocation for each pupil, which shall be the average statewide per  
21 pupil amount provided in each city, parish, or local school system pursuant to  
22 Subsubparagraph (e) of this Subparagraph.

23 (e) Beginning Fiscal Year 2007-2008 and for each fiscal year thereafter, of  
24 the monies available for appropriation after providing for the purposes enumerated  
25 in Subsubparagraphs (a), (b), and (c) of this Subparagraph, one hundred percent of  
26 the monies available for appropriation in any fiscal year shall be appropriated for  
27 each city, parish, and other local school system on a pro rata basis which is based on  
28 the ratio of the student population of that school or school system to that of the total

1 state student population as contained in the most recent Minimum Foundation  
2 Program.

3 (f) Monies appropriated pursuant to this Subparagraph shall be restricted to  
4 expenditure for pre-kindergarten through twelfth grade instructional enhancement  
5 for students, including early childhood education programs focused on enhancing the  
6 preparation of at-risk children for school, remedial instruction, and assistance to  
7 children who fail to achieve the required scores on any tests passage of which are  
8 required pursuant to state law or rule for advancement to a succeeding grade or other  
9 educational programs approved by the legislature. Expenditures for maintenance or  
10 renovation of buildings, capital improvements, and increases in employee salaries  
11 are prohibited. The state superintendent of education shall be responsible for  
12 allocating all money due private schools.

13 (g) Each recipient entity shall annually prepare and submit to the state  
14 Department of Education, hereinafter the "department", a prioritized plan for  
15 expenditure of funds it expects to receive in the coming year from the Education  
16 Excellence Fund. The plan shall include performance expectations to ensure  
17 accountability in the expenditure of such monies. The department shall review such  
18 plans for compliance with the requirements of this Subparagraph and to assure that  
19 the expenditure plans will support excellence in educational practice. No funds may  
20 be distributed to a recipient entity until its plan has received both legislative and  
21 departmental approval as provided by law.

22 (h) No amount appropriated as required in this Paragraph shall displace,  
23 replace, or supplant appropriations from the general fund for elementary and  
24 secondary education, including implementing the Minimum Foundation Program.  
25 This Subsubparagraph shall mean that no appropriation for any fiscal year from the  
26 Education Excellence Fund shall be made for any purpose for which a general fund  
27 appropriation was made in the previous year unless the total appropriations for the  
28 fiscal year from the state general fund for such purpose exceed general fund  
29 appropriations of the previous year. Nor shall any money allocated to a city or parish

1 school board pursuant to this Paragraph displace, replace, or supplant locally  
 2 generated revenue, which means that no allocation to any ~~city or parish~~ city, parish,  
 3 or other local school board from the investment earnings attributable to the  
 4 Education Excellence Fund shall be expended for any purpose for which a local  
 5 revenue source was expended for that purpose for the previous year unless the total  
 6 of the local revenue amount expended that fiscal year exceeds the total of such local  
 7 revenue amounts for the previous fiscal year.

8 (i) The treasurer shall maintain within the state treasury a record of the  
 9 amounts appropriated and credited for each entity through appropriations authorized  
 10 in this Subparagraph and which remain in the state treasury. Notwithstanding any  
 11 other provisions of this constitution to the contrary, such amounts, and investment  
 12 earnings attributable to such amounts, shall remain to the credit of each recipient  
 13 entity at the close of each fiscal year.

14 (4) Appropriations from the TOPS Fund shall be restricted to support of state  
 15 programs for financial assistance for students attending Louisiana institutions of  
 16 postsecondary education.

17 ~~§10.9. Louisiana Fund~~

18 Section 10.9. Louisiana Fund

19 (A) ~~The Louisiana Fund is established in the state treasury as a special fund.~~  
 20 ~~After allocation of money to the Bond Security and Redemption Fund as provided~~  
 21 ~~in Article VII, Section 9(B) of this constitution, the treasurer shall deposit in and~~  
 22 ~~credit to the Louisiana Fund all remaining monies received as a result of the~~  
 23 ~~Settlement Agreement after deposits into the Millennium Trust as provided in~~  
 24 ~~Section 10.8 of this Article, and all interest income on the investment of monies in~~  
 25 ~~the Louisiana Fund. Monies in the Louisiana Fund shall be invested by the treasurer~~  
 26 ~~in the same manner as the state general fund.~~

27 (B) ~~Appropriations from the Louisiana Fund shall be restricted to the~~  
 28 ~~following purposes:~~

1           ~~(1) Initiatives to ensure the optimal development of Louisiana's children~~  
2           ~~through enhancement of educational opportunities and the provision of appropriate~~  
3           ~~health care, which shall include but not be limited to:~~

4           ~~(a) Early childhood intervention programs targeting children from birth~~  
5           ~~through age four, including programs to reduce infant mortality.~~

6           ~~(b) Support of state programs for children's health insurance.~~

7           ~~(c) School-based health clinics, rural health clinics, and primary care clinics.~~

8           ~~(2) Initiatives to benefit the citizens of Louisiana with respect to health care~~  
9           ~~through pursuit of innovation in advanced health care sciences, provision of~~  
10           ~~comprehensive chronic disease management services, and expenditures for capital~~  
11           ~~improvements for state health care facilities.~~

12           ~~(3) Provision of direct health care services for tobacco-related illnesses.~~

13           ~~(4) Initiatives to diminish tobacco-related injury and death to Louisiana's~~  
14           ~~citizens through educational efforts, cessation assistance services, promotion of a~~  
15           ~~tobacco-free lifestyle, and enforcement of the requirements of the Settlement~~  
16           ~~Agreement by the attorney general.~~

17           ~~(C) Each appropriation from the Louisiana Fund shall include performance~~  
18           ~~expectations to ensure accountability in the expenditure of such monies. Any~~  
19           ~~unexpended and unencumbered monies in each fund at the end of a fiscal year shall~~  
20           ~~remain in the respective fund.~~

21           ~~§10.11. Artificial Reef Development Fund~~

22           ~~(A) Artificial Reef Development Fund. There shall be established in the state~~  
23           ~~treasury, as a special fund, the Artificial Reef Development Fund. Out of the funds~~  
24           ~~remaining in the Bond Security and Redemption Fund after a sufficient amount is~~  
25           ~~allocated from that fund to pay all obligations secured by the full faith and credit of~~  
26           ~~the state that become due and payable within any fiscal year as required by Article~~  
27           ~~VII, Section 9(B) of this constitution, the treasurer shall pay into the Artificial Reef~~  
28           ~~Development Fund the monies received as provided in Paragraph (B) of this Section.~~

1           ~~(B) The secretary of the Department of Wildlife and Fisheries is authorized~~  
2           ~~to accept and receive grants, donations of monies, and other forms of assistance from~~  
3           ~~private and public sources that are provided to the state for the purpose of siting,~~  
4           ~~designing, constructing, permitting, monitoring, and otherwise managing an artificial~~  
5           ~~reef system.~~

6           ~~(C) The monies in the Artificial Reef Development Fund shall be~~  
7           ~~appropriated by the legislature to the Department of Wildlife and Fisheries, or its~~  
8           ~~successor, and shall be allocated solely for the following:~~

9           ~~(1) For the programs and purposes of siting, designing, constructing,~~  
10          ~~permitting, monitoring, and otherwise managing an artificial reef system.~~

11          ~~(2) For the salaries of personnel assigned to the Artificial Reef Development~~  
12          ~~Program and for related operating expenses.~~

13          ~~(3) An amount not to exceed ten percent of the monies deposited to the fund~~  
14          ~~each year and ten percent of the interest income credited to the fund each year may~~  
15          ~~be used by the department to provide funding in association with the wild seafood~~  
16          ~~certification program, particularly in support of wild-caught shrimp, established by~~  
17          ~~the department. Such funding may be used for a subsidy granted to seafood~~  
18          ~~harvesters or processors to assist in their efforts to comply with the certification~~  
19          ~~program requirements and may be used for administration of the program.~~

20          ~~(4) An amount not to exceed ten percent of the funds deposited to the fund~~  
21          ~~each year and ten percent of the interest income credited to the fund each year may~~  
22          ~~be used by the department to provide funding for inshore fisheries habitat~~  
23          ~~enhancement projects, particularly in support of the Artificial Reef Development~~  
24          ~~Program established by the department. Such funding may be used for grants to~~  
25          ~~nonprofit conservation organizations working in cooperation with the department.~~

26          ~~(D) All unexpended and unencumbered monies in the Artificial Reef~~  
27          ~~Development Fund at the end of the fiscal year shall remain in the fund. The monies~~  
28          ~~in the fund shall be invested by the treasurer in the manner provided by law. All~~  
29          ~~interest earned on monies invested by the treasurer shall be deposited in the fund.~~

1       ~~The treasurer shall prepare and submit to the department on a quarterly basis a~~  
2       ~~written report showing the amount of money contained in the fund from all sources.~~

3       ~~§10.12. Farmers and fishermen assistance programs; Agricultural and Seafood~~  
4       ~~Products Support Fund~~

5       ~~(A) The legislature is authorized to provide by law for programs to assist~~  
6       ~~Louisiana farmers and fishermen with support and expansion of their industries.~~

7       ~~§10.13. §22. Hospital stabilization formula and assessment; Hospital Stabilization~~  
8       ~~Fund~~

9       Section 22. (A) Hospital Stabilization Formula. (1) The legislature may  
10       annually adopt a Hospital Stabilization Formula, hereafter referred to in this Section  
11       as "the formula", by concurrent resolution by a favorable vote of a majority of the  
12       elected members of each house. Such resolution shall be referred to the standing  
13       committees of the legislature that hear the general appropriation bill. The formula  
14       shall, to the maximum extent possible, enhance the economic viability of Louisiana  
15       hospitals and reduce shifting the cost of caring for Louisiana's needy residents to the  
16       state's insured residents.

17       (2)(a) The first formula established pursuant to Subparagraph (1) of this  
18       Paragraph, which shall require a favorable vote of two-thirds of the elected members  
19       of each house for adoption, shall define and establish as the base reimbursement  
20       level under the Louisiana medical assistance program provided for in Title XIX of  
21       the Social Security Act, hereafter referred to as the "Medicaid Program", to hospitals  
22       for inpatient and outpatient services in Fiscal Year 2012-2013. The formula shall  
23       also provide for the preservation and protection of rural hospitals as provided for by  
24       law. Each formula established thereafter may apply a rate of inflation, which shall  
25       not be a negative rate, to the base reimbursement level from the previous formula  
26       adopted by the legislature.

27       (b) Each formula shall also include and establish assessments to be paid by  
28       hospitals and the basis on which such assessments shall be calculated, provided the

1 amount of the assessments does not exceed the nonfederal share of the  
2 reimbursement enhancements.

3 (c) Each formula shall also establish reimbursement enhancements under the  
4 Medicaid Program, or its successor, achieving the maximum reimbursement by  
5 federal law and resulting in distributing such reimbursement enhancements  
6 exclusively among hospitals for hospital services. Reimbursement enhancements  
7 may also be distributed for uninsured services delivered.

8 (d) Each formula shall also include any additional provisions necessary ~~to~~  
9 for the implementation of the formula. Neither the assessments nor the  
10 reimbursement enhancements established in the formula adopted by the legislature  
11 shall be implemented until each has been approved by the federal authority which  
12 administers the Medicaid Program.

13 (3) The base reimbursement level resulting from the formula shall not be  
14 paid from the Hospital Stabilization Fund.

15 (4) No additional assessment shall be collected and any assessment shall be  
16 terminated for the remainder of the fiscal year from the date on which any of the  
17 following occur:

18 (a) The legislature fails to adopt a formula for the subsequent fiscal year.

19 (b) The Louisiana Department of Health, or its successor or contractors,  
20 reduces or does not pay reimbursement enhancements established in the current  
21 formula as adopted by the legislature.

22 (c) The appropriations provided for in Subparagraph (B)(2) of this Section  
23 are reduced.

24 (5) The treasurer shall return any monies collected after the date of  
25 termination of an assessment to the hospital from which it was collected.

26 (B) Appropriation. (1) The legislature shall annually appropriate an amount  
27 necessary to fund the base reimbursement level for hospitals established in the most  
28 recent formula adopted by the legislature.

1           (2) The legislature shall annually appropriate the balance of the Hospital  
2 Stabilization Fund solely to fund the reimbursement enhancements as provided in the  
3 most recent formula adopted by the legislature.

4           (3) Notwithstanding Article VII, Section ~~10(F)~~ 14(F) of this constitution,  
5 neither the governor nor the legislature may reduce ~~the~~ an appropriation funding the  
6 base reimbursement level or the reimbursement enhancements to satisfy a budget  
7 deficit, except the governor may reduce ~~the~~ an appropriation to the base  
8 reimbursement level if the following occur:

9           (a) Such reduction does not exceed the average reduction of those made to  
10 the appropriations and reimbursement for other providers under the Medicaid  
11 Program, or its successor; and

12           (b)(i) If the legislature is in session, the reduction is consented to in writing  
13 by two-thirds of the elected members of each house in a manner provided by law; or

14           (ii) If the legislature is not in session, the reduction is approved by two-thirds  
15 of the members of the Joint Legislative Committee on the Budget, or its successor.

16           (C) Hospital Stabilization Fund. There is hereby established as a special  
17 fund in the state treasury the Hospital Stabilization Fund, hereafter referred to as "the  
18 fund". After compliance with the requirements of Article VII, Section ~~9(B)~~ 13(B)  
19 of this constitution relative to the Bond Security and Redemption Fund, the treasurer  
20 shall deposit all proceeds from the assessment collected pursuant to the Hospital  
21 Stabilization Formula provided for in this Section. The monies in the fund shall be  
22 invested in the same manner as monies in the state general fund, and all interest  
23 earned on the investment of the fund shall be deposited in and credited to the fund.  
24 Appropriations from the fund shall be restricted to funding the reimbursement  
25 enhancements established in the Hospital Stabilization Formula adopted by the  
26 legislature for the fiscal year in which the assessment is collected.

27 ~~§10.14.~~ §23. Louisiana Medical Assistance Trust Fund

28           Section 23. (A) There is hereby established as a special fund in the state  
29 treasury the Louisiana Medical Assistance Trust Fund, hereinafter referred to as "the

1 fund", which shall consist of monies generated by fees as provided for in law.  
2 Subject to the exceptions contained in Article VII, Section ~~9(A)~~ 13(A) of this  
3 constitution, and after compliance with the requirements of Article VII, Section ~~9(B)~~  
4 13(B) of this constitution relative to the Bond Security and Redemption Fund, the  
5 treasurer shall deposit all proceeds from the fees collected as provided for in laws  
6 relative to the Louisiana Medical Assistance Trust Fund into the fund. The monies  
7 in the fund shall be invested by the state treasurer in the same manner as monies in  
8 the state general fund. All interest earned from the investment of monies in the fund  
9 shall be deposited in and remain to the credit of the fund. All unexpended and  
10 unencumbered monies remaining in the fund at the close of each fiscal year shall  
11 remain in the fund.

12 (B) The treasurer is hereby authorized to establish a separate account within  
13 the fund for each health care provider group in which fees are collected according  
14 to law. Monies collected from each provider group, and the interest earned on those  
15 monies, shall be deposited into the account created for that provider group. Any  
16 monies deposited into the fund from sources not required by law, and the interest  
17 earned on those monies, shall be deposited into a separate account within the fund,  
18 hereafter referred to as "the general account".

19 (C) The legislature is authorized to appropriate monies from the fund only  
20 if the appropriation is eligible for federal financial participation under Title XIX of  
21 the Social Security Act, or its successor. The balance of each account shall be  
22 appropriated for reimbursement of services to the provider group which paid the fee  
23 into the account in any fiscal year, except monies deposited into the general account  
24 may be appropriated for any Medicaid Program expenditure.

25 (D) The monies appropriated from the provider accounts in the fund shall not  
26 be used to displace, replace, or supplant appropriations from the state general fund  
27 for the Medicaid Program below the amount of state general fund appropriations to  
28 the Medicaid Program for Fiscal Year 2013-2014.

1 (E)(1) The legislature shall annually appropriate the funds necessary to  
 2 provide for Medicaid Program rates for each provider group which pays fees into the  
 3 fund that is no less than the average Medicaid Program rates established for Fiscal  
 4 Year 2013-2014 and which may be adjusted annually by establishing the rates of  
 5 inflation, or rebasing if applicable, which rates shall not be negative, to be applied  
 6 to the base rates to establish the new base rates for the next fiscal year as authorized  
 7 by law. For the purpose of this Section, "Medicaid Program" shall refer to the  
 8 Louisiana medical assistance program provided for in Title XIX of the Social  
 9 Security Act, or its successor.

10 (2) Notwithstanding Article VII, Section ~~10(F)~~ 14(F) of this constitution,  
 11 neither the governor nor the legislature may reduce the base rate as provided for in  
 12 this Paragraph to satisfy a budget deficit, except the governor may reduce the  
 13 appropriation for the base rate if the following occur:

14 (a) Such reduction does not exceed the average reduction of those made to  
 15 the appropriations and reimbursement for other providers under the Medicaid  
 16 Program, or its successor; and

17 (b)(i) If the legislature is in session, the reduction is consented to in writing  
 18 by two-thirds of the elected members of each house in a manner provided by law; or

19 (ii) If the legislature is not in session, the reduction is approved by two-thirds  
 20 of the members of the Joint Legislative Committee on the Budget, or its successor.

21 ~~§10.15. Revenue Stabilization Trust Fund~~

22 ~~Section 10.15. Revenue Stabilization Trust Fund. (A) The Revenue~~  
 23 ~~Stabilization Trust Fund is hereby established in the state treasury as a special trust~~  
 24 ~~fund, hereinafter referred to as the "fund".~~

25 ~~(B) After allocation of money to the Bond Redemption and Security Fund~~  
 26 ~~as provided in Article VII, Section 9(B) of the Constitution of Louisiana, the~~  
 27 ~~treasurer shall deposit in and credit to the fund the revenues as provided for in~~  
 28 ~~Paragraphs (C) and (D) of this Section.~~

1           ~~(C) The treasurer shall deposit into the fund the amount of mineral revenues~~  
2           ~~as provided in Section 10.16 of this constitution.~~

3           ~~(D) The treasurer shall deposit into the fund the amount of revenues in~~  
4           ~~excess of six hundred million dollars received each fiscal year from corporate~~  
5           ~~franchise and income taxes as recognized by the Revenue Estimating Conference.~~

6           ~~(E)(1) Except as provided for in Paragraph (F) of this Section, monies~~  
7           ~~deposited into the Revenue Stabilization Trust Fund shall be permanently credited~~  
8           ~~to the trust fund and shall be invested by the treasurer in a manner provided for by~~  
9           ~~law.~~

10           ~~(2) The treasurer shall deposit all interest or other income from investment~~  
11           ~~generated from the fund into the state general fund.~~

12           ~~(F)(1) Except as provided in Subparagraphs (2) and (3) of this Paragraph, no~~  
13           ~~appropriations shall be made from the Revenue Stabilization Trust Fund.~~

14           ~~(2)(a) In any fiscal year in which the balance of the fund at the beginning of~~  
15           ~~the year is in excess of five billion dollars, hereinafter referred to as the minimum~~  
16           ~~fund balance, the legislature may appropriate an amount not to exceed ten percent~~  
17           ~~of the fund balance, hereinafter referred to as the allowable percentage, for the~~  
18           ~~following:~~

19           ~~(i) Capital outlay projects in the comprehensive state capital budget.~~

20           ~~(ii) Transportation infrastructure.~~

21           ~~(b) The minimum fund balance or the allowable percentage may be changed~~  
22           ~~by a law enacted by two-thirds of the elected members of each house of the~~  
23           ~~legislature.~~

24           ~~(3) In order to ensure the money in the fund is available for appropriation in~~  
25           ~~an emergency, the legislature may authorize an appropriation from the fund at any~~  
26           ~~time for any purpose only after the consent of two-thirds of the elected members of~~  
27           ~~each house of the legislature. If the legislature is not in session, the two-thirds~~  
28           ~~requirement may be satisfied upon obtaining the written consent of two-thirds of the~~  
29           ~~elected members of each house of the legislature in a manner provided by law.~~

1        ~~§10.16. Dedications of Mineral Revenues~~

2                ~~Section 10.16.(A) All mineral revenues as defined in Paragraph (D) of this~~  
3        ~~Section received in each fiscal year by the state as a result of the production of or~~  
4        ~~exploration for minerals, hereinafter referred to as "mineral revenues", shall be~~  
5        ~~allocated as provided in this Section after the following allocations and deposits of~~  
6        ~~mineral revenues have been made:~~

7                ~~(1) To the Bond Security and Redemption Fund as provided in Article VII,~~  
8        ~~Section 9 (B) of this constitution.~~

9                ~~(2) To the political subdivisions of the state as provided in Article VII,~~  
10        ~~Sections 4 (D) and (E) of this constitution.~~

11                ~~(3) To the Louisiana Wildlife and Fisheries Conservation Fund as provided~~  
12        ~~by the requirements of Article VII, Section 10-A of this constitution and as provided~~  
13        ~~by law.~~

14                ~~(4) To the Louisiana Wildlife and Fisheries Conservation Fund and the Oil~~  
15        ~~and Gas Regulatory Fund as provided by law.~~

16                ~~(5) To the Rockefeller Wildlife Refuge and Game Preserve Fund as provided~~  
17        ~~by law.~~

18                ~~(6) To the Marsh Island Operating Fund and the Russell Sage or Marsh~~  
19        ~~Island Refuge Fund as provided by law.~~

20                ~~(7) To the MC Davis Conservation Fund as provided by law.~~

21                ~~(8) To the White Lake Property Fund as provided by law.~~

22                ~~(9) To the Louisiana Education Quality Trust Fund and Louisiana Quality~~  
23        ~~Education Support Fund as provided in Article VII, Section 10.1 of this constitution.~~

24                ~~(10) To the Coastal Protection and Restoration Fund as provided in Article~~  
25        ~~VII, Section 10.2 of this constitution and as provided by law.~~

26                ~~(11) To the Mineral Revenue and Audit Settlement Fund as provided in~~  
27        ~~Article VII, Section 10.5 of this constitution and as provided by law.~~

28                ~~(12) To the Budget Stabilization Fund as provided in Article VII, Section~~  
29        ~~10.3 of this constitution and as provided by law.~~

1           ~~(13) An amount equal to the state general fund deposited into the~~  
2           ~~Transportation Trust Fund and the Louisiana State Transportation Infrastructure~~  
3           ~~Fund as provided by law.~~

4           ~~(B) Allocation of Mineral Revenues. After the allocations and deposits~~  
5           ~~provided in Paragraph (A) of this Section, the mineral revenues received in each year~~  
6           ~~in excess of six hundred sixty million dollars and less than nine hundred fifty million~~  
7           ~~dollars shall be allocated as follows:~~

8           ~~(1) Thirty percent shall be appropriated to the Louisiana State Employees'~~  
9           ~~Retirement System and the Teachers' Retirement System of Louisiana for application~~  
10           ~~to the balance of the unfunded accrued liability of such systems existing as of June~~  
11           ~~30, 1988, in proportion to the balance of such unfunded accrued liability of each such~~  
12           ~~system, until such unfunded accrued liability has been eliminated. Any such~~  
13           ~~payments to the public retirement systems shall not be used, directly or indirectly,~~  
14           ~~to fund cost-of-living increases for such systems.~~

15           ~~(2) The remainder shall be deposited into the Revenue Stabilization Trust~~  
16           ~~Fund.~~

17           ~~(C) Mineral revenues in excess of the base which would otherwise be~~  
18           ~~deposited into the Budget Stabilization Fund under Subparagraph (A)(2) of Section~~  
19           ~~10.3 of this constitution, but are prohibited from being deposited into the fund under~~  
20           ~~Subparagraph (C)(4) of Section 10.3 of this constitution, shall be distributed as~~  
21           ~~follows:~~

22           ~~(1) Thirty percent shall be appropriated to the Louisiana State Employees'~~  
23           ~~Retirement System and the Teachers' Retirement System of Louisiana for application~~  
24           ~~to the balance of the unfunded accrued liability of such systems existing as of June~~  
25           ~~30, 1988, in proportion to the balance of such unfunded accrued liability of each such~~  
26           ~~system, until such unfunded accrued liability has been eliminated. Any such~~  
27           ~~payments to the public retirement systems shall not be used, directly or indirectly,~~  
28           ~~to fund cost-of-living increases for such systems.~~

1           ~~(2) The remainder shall be deposited into the Revenue Stabilization Trust~~  
2     Fund:

3           ~~(D) For purposes of this Section, "mineral revenues" shall include severance~~  
4     ~~taxes, royalty payments, bonus payments, or rentals, with the following exceptions:~~

5           ~~(1) Revenues designated as nonrecurring, pursuant to Article VII, Section~~  
6     ~~10(B) of this constitution:~~

7           ~~(2) Revenues received by the state as a result of grants or donations when the~~  
8     ~~terms or conditions thereof require otherwise.~~

9           ~~(3) Revenues derived from any tax on the transportation of minerals:~~

10     ~~§10-A. §24. Wildlife and Fisheries; Fisheries Conservation Fund~~

11           Section ~~10-A. 24.~~(A) Conservation Fund. ~~Effective July 1, 1988, there~~  
12     ~~There shall be established in the state treasury, as a special fund, the Louisiana~~  
13     ~~Wildlife and Fisheries Conservation Fund, hereinafter referred to as the Conservation~~  
14     ~~Fund. Out of the funds remaining in the Bond Security and Redemption Fund after~~  
15     ~~a sufficient amount is allocated from that fund to pay all obligations secured by the~~  
16     ~~full faith and credit of the state which become due and payable within any fiscal year~~  
17     ~~as required by Article VII, Section 9(B) 13(B) of this constitution, the treasurer shall~~  
18     ~~pay into the Conservation Fund all of the following, except as provided in Article~~  
19     ~~VII, Section 9(A) 13(A), and except for the amount provided in R.S. 56:10(B)(1)(a)~~  
20     ~~as that provision existed on the effective date of this Section December 23, 1987:~~

21           ~~(1)(a) All revenue from the types and classes of fees, licenses, permits,~~  
22     ~~royalties, or other revenue paid into the Conservation Fund as provided by law on~~  
23     ~~the effective date of this Section. December 23, 1987. Such revenue shall be~~  
24     ~~deposited in the Conservation Fund even if the names of such fees, licenses, permits,~~  
25     ~~or other revenues are changed.~~

26           ~~(b) Any increase in the amount charged for such fees, licenses, permits,~~  
27     ~~royalties, and other revenue, or any new fee, license, permit, royalty, or other~~  
28     ~~revenue, enacted by the legislature after the effective date of this Section, December~~  
29     ~~23, 1987, shall be irrevocably dedicated and deposited in the Conservation Fund~~

1 unless the legislature enacts a law specifically appropriating or dedicating such  
2 revenue to another fund or purpose.

3 (2) The balance remaining on June 30, 1988 in the Conservation Fund  
4 established pursuant to R.S. 56:10.

5 (3) All funds or revenues which may be donated expressly to the  
6 Conservation Fund.

7 (B) The monies in the Conservation Fund shall be appropriated by the  
8 legislature to the Department of Wildlife and Fisheries, or its successor, and shall be  
9 used solely for the programs and purposes of conservation, protection, preservation,  
10 management, and replenishment of the state's natural resources and wildlife,  
11 including use for land acquisition or for federal matching fund programs which  
12 promote such purposes, and for the operation and administration of the Department  
13 and the Wildlife and Fisheries Commission, or their successors.

14 (C) All unexpended and unencumbered monies in the Conservation Fund at  
15 the end of the fiscal year shall remain in the fund. The monies in the fund shall be  
16 invested by the treasurer in the manner provided by law. All interest earned on  
17 monies invested by the treasurer shall be deposited in the fund. The treasurer shall  
18 prepare and submit to the department on a quarterly basis a printed report showing  
19 the amount of money contained in the fund from all sources.

20 ~~§11.~~ §25. Budgets

21 ~~Section 11.~~ Section 25.(A) Budget Estimate. The governor shall submit to  
22 the legislature, at the time and in the form fixed by law, a budget estimate for the  
23 next fiscal year setting forth all proposed state expenditures. This budget shall  
24 include a recommendation for appropriations from the state general fund and from  
25 dedicated funds, except funds allocated by Article VII, ~~Section 4, Paragraphs (D) and~~  
26 ~~(E),~~ Section 8, Paragraphs (B) and (C), which shall not exceed the official forecast  
27 of the Revenue Estimating Conference, ~~and the expenditure limit for the fiscal year.~~  
28 The recommendation shall also comply with the provisions of Article VII, ~~Section~~  
29 ~~10(D).~~ Section 14, Paragraphs (C) and (D). This budget shall include a

1 recommendation for funding of state salary supplements for full-time law  
2 enforcement and fire protection officers of the state, as provided in Article VII,  
3 ~~Section 10(D)(3)~~ Section 14(D)(3) of this constitution.

4 (B) Operating Budget. The governor shall cause to be submitted a general  
5 appropriation bill for proposed ordinary operating expenditures which shall be in  
6 conformity with the recommendations for appropriations contained in the budget  
7 estimate. The governor may cause to be submitted a bill or bills to raise additional  
8 revenues with proposals for the use of these revenues.

9 (C) Capital Budget. The governor shall submit to the legislature, at each  
10 regular session, a proposed five-year capital outlay program and request  
11 implementation of the first year of the program. Prior to inclusion in the  
12 comprehensive capital budget which the legislature adopts, each capital improvement  
13 project shall be evaluated through a feasibility study, as defined by the legislature,  
14 which shall include an analysis of need and estimates of construction and operating  
15 costs. The legislature shall provide by law for procedures, standards, and criteria for  
16 the evaluation of such feasibility studies and shall set the schedule of submission of  
17 such feasibility studies ~~which shall take effect not later than December thirty-first~~  
18 ~~following the first regular session convening after this Paragraph takes effect.~~  
19 studies. These procedures, standards, and criteria for evaluation of such feasibility  
20 studies cannot be changed or altered except by a separate legislative instrument  
21 approved by a favorable vote of two-thirds of the elected members of each house of  
22 the legislature. For ~~those~~ projects not eligible for funding under the provisions of  
23 Article VII, ~~Section 27~~ Section 16 of this constitution, the request for  
24 implementation of the first year of the program shall include a list of the proposed  
25 projects in priority order based on the evaluation of the feasibility studies submitted.  
26 Capital outlay projects approved by the legislature shall be made a part of the  
27 comprehensive state capital budget, which shall be adopted by the legislature.

1       ~~§12: §26.~~ Reports and Records

2               ~~Section 12: Section 26.~~ Reports and records of the collection, expenditure,  
3 investment, and use of state money and those relating to state obligations shall be  
4 matters of public record, except returns of taxpayers and matters pertaining to ~~those~~  
5 such returns.

6       ~~§13: §27.~~ Investment of State Funds

7               ~~Section 13: Section 27.~~ All money in the custody of the state treasurer ~~which~~  
8 that is available for investment shall be invested as provided by law.

9       ~~§14: §28.~~ Donation, Loan, or Pledge of Public Credit

10              ~~Section 14: Section 28.(A)~~ Prohibited Uses. Except as otherwise provided  
11 by this constitution, the funds, credit, property, or things of value of the state or ~~of~~  
12 any political subdivision shall not be loaned, pledged, or donated to or for any  
13 person, association, or corporation, public or private. Except as otherwise provided  
14 in this Section, neither the state nor a political subdivision shall subscribe to or  
15 purchase the stock of a corporation or association or for any private enterprise.

16              (B) Authorized Uses. Nothing in this Section shall prevent (1) the use of  
17 public funds for programs of social welfare for the aid and support of the needy; (2)  
18 contributions of public funds to pension and insurance programs for the benefit of  
19 public employees; (3) the pledge of public funds, credit, property, or things of value  
20 for public purposes with respect to the issuance of bonds or other evidences of  
21 indebtedness to meet public obligations as provided by law; (4) the return of  
22 property, including mineral rights, to a former owner from whom the property had  
23 previously been expropriated, or purchased under threat of expropriation, when the  
24 legislature by law declares that the public and necessary purpose which originally  
25 supported the expropriation has ceased to exist and orders the return of the property  
26 to the former owner under such terms and conditions as specified by the legislature;  
27 (5) acquisition of stock by any institution of higher education in exchange for any  
28 intellectual property; (6) the donation of abandoned or blighted housing property by  
29 the governing authority of a municipality or a parish to a nonprofit organization

1 which is recognized by the Internal Revenue Service as a 501(c)(3) or 501(c)(4)  
2 nonprofit organization and which agrees to renovate and maintain such property until  
3 conveyance of the property by such organization; (7) the deduction of any tax,  
4 interest, penalty, or other charges forming the basis of tax liens on blighted property  
5 so that they may be subordinated and waived in favor of any purchaser who is not  
6 a member of the immediate family of the blighted property owner or which is not  
7 any entity in which the owner has a substantial economic interest, but only in  
8 connection with a property renovation plan approved by an administrative hearing  
9 officer appointed by the parish or municipal government where the property is  
10 located; (8) the deduction of past due taxes, interest, and penalties in favor of an  
11 owner of a blighted property, but only when the owner sells the property at less than  
12 the appraised value to facilitate the blighted property renovation plan approved by  
13 the parish or municipal government and only after the renovation is completed such  
14 deduction being canceled, null and void, and to no effect in the event ownership of  
15 the property in the future reverts back to the owner or any member of his immediate  
16 family; (9) the donation by the state of asphalt which has been removed from state  
17 roads and highways to the governing authority of the parish or municipality where  
18 the asphalt was removed, or if not needed by such governing authority, then to any  
19 other parish or municipal governing authority, but only pursuant to a cooperative  
20 endeavor agreement between the state and the governing authority receiving the  
21 donated property; (10) the investment in stocks of a portion of the Rockefeller  
22 Wildlife Refuge Trust and Protection Fund, ~~created under the provisions of R.S.~~  
23 ~~56:797, Fund~~ and the Russell Sage or Marsh Island Refuge Fund, ~~created under the~~  
24 ~~provisions of R.S. 56:798~~, such portion not to exceed thirty-five percent of each  
25 fund; (11) the investment in stocks of a portion of the state-funded permanently  
26 endowed funds of a public or private college or university, not to exceed thirty-five  
27 percent of the public funds endowed; (12) the investment in equities of a portion of  
28 the Medicaid Trust Fund for the Elderly ~~created under the provisions of R.S. 46:2691~~  
29 ~~et seq.~~, Elderly, such portion not to exceed thirty-five percent of the fund; (13) the

1 investment of public funds to capitalize a state infrastructure bank and the loan,  
 2 pledge, or guarantee of public funds by a state infrastructure bank solely for  
 3 transportation projects; (14) pursuant to a written agreement, the donation of the use  
 4 of public equipment and personnel by a political subdivision upon request to another  
 5 political subdivision for an activity or function the requesting political subdivision  
 6 is authorized to exercise; or (15) a political subdivision from waiving charges for  
 7 water if the charges are the result of water lost due to damage to the water delivery  
 8 infrastructure and that damage is not the result of any act or failure to act by the  
 9 customer being charged for the water.

10 (C) Cooperative Endeavors. For a public purpose, the state and its political  
 11 subdivisions or political corporations may engage in cooperative endeavors with  
 12 each other, with the United States or its agencies, or with any public or private  
 13 association, corporation, or individual.

14 (D) Prior Obligations. Funds, credit, property, or things of value of the state  
 15 or of a political subdivision heretofore loaned, pledged, dedicated, or granted by  
 16 prior state law or authorized to be loaned, pledged, dedicated, or granted by ~~the~~ prior  
 17 laws and constitution of this state shall so remain for the full term as provided by ~~the~~  
 18 such prior laws and constitution and for the full term as provided by any contract,  
 19 unless the authorization is revoked by law enacted by two-thirds of the elected  
 20 members of each house of the legislature prior to the vesting of any contractual  
 21 rights pursuant to this Section.

22 (E) Surplus Property. Nothing in this Section shall prevent the donation or  
 23 exchange of movable surplus property between or among political subdivisions  
 24 whose functions include public safety.

25 ~~§15.~~ §29. Release of Obligations to State, Parish, or Municipality

26 ~~Section 15.~~ Section 29. The legislature shall have no power to release,  
 27 extinguish, or authorize the releasing or extinguishing of any indebtedness, liability,  
 28 or obligation of a corporation or individual to the state, a parish, or a municipality.  
 29 However, the legislature, by law, may establish a system under which claims by the

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 state or a political subdivision may be compromised, and may provide for the release  
2 of heirs to confiscated property from taxes due ~~thereon~~ on such property at the date  
3 of its reversion to them.

4 ~~§16:~~ §30. Taxes; Prescription

5 ~~Section 16:~~ Section 30. Taxes, except real property taxes, and licenses shall  
6 prescribe in three years after the thirty-first day of December in the year in which  
7 they are ~~due, but~~ due; however, prescription may be interrupted or suspended as  
8 provided by law.

9 ~~§17:~~ §31. Legislation to Obtain Federal Aid

10 ~~Section 17:~~ Section 31. The legislature may enact laws to enable the state,  
11 its agencies, boards, commissions, and political subdivisions and their agencies to  
12 comply with federal laws and regulations in order to secure federal participation in  
13 funding capital improvement projects.

14 PART II. PROPERTY TAXATION

15 ~~§18:~~ §32. Ad Valorem Taxes

16 ~~Section 18:~~ Section 32.(A) Assessments. Property subject to ad valorem  
17 taxation shall be listed on the assessment rolls at its assessed valuation, which,  
18 except as provided in ~~Paragraphs (C), (F), and (G)~~ this Section, shall be a percentage  
19 of its fair market value. The percentage of fair market value shall be uniform  
20 throughout the state upon the same class of property.

21 (B) Classification. (1) The classifications of property subject to ad valorem  
22 taxation and the percentage of fair market value applicable to each classification for  
23 the purpose of determining assessed valuation are as follows:

24 Classifications Percentages

- |    |  |     |
|----|--|-----|
| 25 | <del>1:</del> <u>(a)</u> Land  | 10% |
| 26 | <del>2:</del> <u>(b)</u> Improvements for residential purposes           | 10% |
| 27 | <del>3:</del> <u>(c)</u> Electric cooperative properties, excluding land | 15% |
| 28 | <del>4:</del> <u>(d)</u> Public service properties, excluding land       | 25% |

- 1                   5: (e) Public service property, excluding land, owned
- 2                               by a railroad company                               15%
- 3                   (f) Business inventory                               15%
- 4                   (g) Other property                               15%

5                   (2) For purposes of ad valorem taxation, a parish may elect to reduce the  
6                   percentage of fair market value applicable to property considered business inventory,  
7                   as defined in law. The legislature may provide by law enacted by two-thirds of the  
8                   elected members of each house for the implementation of the provision of this  
9                   Subparagraph. Once enacted, any change to these laws shall also be enacted by  
10                   two-thirds of the elected members of each house of the legislature.

11                   (3) The legislature may enact laws defining electric cooperative properties  
12                   and public service properties.

13                   (C) Use Value. Bona fide agricultural, horticultural, marsh, and timber  
14                   lands, as defined by general law, shall be assessed for tax purposes at ten percent of  
15                   use value rather than fair market value. The legislature may provide by law similarly  
16                   for buildings of historic architectural importance.

17                   (D)(1) Valuation. Each assessor shall determine the fair market value of all  
18                   property subject to taxation within his respective parish or district except public  
19                   service properties, which shall be valued at fair market value by the Louisiana Tax  
20                   Commission or its successor. Each assessor shall determine the use value of  
21                   property which is to be so assessed ~~under~~ pursuant to the provisions of Paragraph (C)  
22                   of this Section. Fair market value and use value of property shall be determined in  
23                   accordance with criteria which shall be established by law and which shall apply  
24                   uniformly throughout the state.

25                   (2) No additional value shall be added to the assessment of land by reason  
26                   of the presence of oil, gas, or sulphur therein or their production therefrom.  
27                   However, sulphur in place shall be assessed for ad valorem taxation to the person,  
28                   firm, or corporation having the right to mine or produce the same in the parish where  
29                   located, at no more than twice the total assessed value of the physical property

1        subject to taxation, excluding the assessed value of sulphur above ground, as is used  
2        in sulphur operations in such parish. Likewise, the severance tax shall be the only tax  
3        on timber; however, standing timber shall be liable equally with the land on which  
4        it stands for ad valorem taxes levied on the land.

5                (3) Notwithstanding the provisions of Subparagraph (2) of this Paragraph, the  
6        presence of oil or gas, or the production thereof, may be included in the methodology  
7        to determine the fair market value of an oil or gas well for ad valorem taxes.

8                (E) Review. The correctness of assessments by the assessor shall be subject  
9        to review first by the parish governing authority, then by the Louisiana Tax  
10       Commission or its successor, and finally by the courts, all in accordance with  
11       procedures established by law.

12                (F) Reappraisal. (1) All property subject to taxation shall be reappraised  
13        and valued in accordance with this Section, at intervals of not more than four years.

14                (2)(a) In the year of implementation of a reappraisal as required in  
15        Subparagraph (1) of this Paragraph, solely for purposes of determining the ad  
16        valorem tax imposed on residential property subject to the homestead exemption as  
17        provided in Section ~~20~~ 34 of this Article, if the assessed value of immovable  
18        property increases by an amount which is greater than fifty percent of the property's  
19        assessed value in the previous year, the collector shall phase-in the additional tax  
20        liability resulting from the increase in the property's assessed value over a four-year  
21        period as follows:

22                (i) For purposes of calculating the ad valorem taxes on the property in the  
23        first levy following reappraisal, the collector shall use the property's assessed value  
24        from the previous year, which shall be called the base amount as used in this  
25        Subparagraph, and shall increase the portion of the assessed value of the property  
26        used to calculate ad valorem taxes by adding an amount which is equal to one-fourth  
27        of the amount of the increase in the property's assessed value as a result of the  
28        reappraisal to the base amount. This resulting amount shall constitute the property's

1 taxable value and shall be used solely for purposes of calculating ad valorem taxes  
2 for that taxable year.

3 (ii) For purposes of calculating the ad valorem taxes on the property in the  
4 second levy following reappraisal, the collector shall increase the portion of the  
5 assessed value of the property used to calculate ad valorem taxes by adding an  
6 amount which is equal to one-half of the amount of the increase in the property's  
7 assessed value as a result of the reappraisal to the base amount. This resulting  
8 amount shall constitute the property's taxable value and shall be used solely for  
9 purposes of calculating ad valorem taxes for that taxable year.

10 (iii) For purposes of calculating the ad valorem taxes on the property in the  
11 third levy following reappraisal, the collector shall increase the portion of the  
12 assessed value of the property used to calculate ad valorem taxes by adding an  
13 amount which is equal to three-quarters of the amount of the increase in the  
14 property's assessed value as a result of the reappraisal to the base amount. This  
15 resulting amount shall constitute the property's taxable value and shall be used solely  
16 for purposes of calculating ad valorem taxes for that taxable year.

17 (iv) In the fourth levy following reappraisal, the collector shall calculate ad  
18 valorem taxes based on the property's full assessed value.

19 (b) The provisions of this Subparagraph providing for a phase-in of  
20 additional ad valorem tax liability following reappraisal shall cease to apply upon the  
21 transfer or conveyance of ownership of the property. Following a transfer or  
22 conveyance, the collector shall calculate ad valorem taxes based on the property's  
23 full assessed value.

24 (c) Property subject to the provisions of this Subparagraph shall not be  
25 subject to reappraisal by an assessor until after the four-year phase-in of the amount  
26 of the increase in the property's assessed value is complete.

27 (d) Notwithstanding any provision of this constitution to the contrary, the  
28 increase in assessed valuation of property phased-in under this Subparagraph shall  
29 be included as taxable property for purposes of any subsequent reappraisals and

1 valuation for millage adjustment purposes under Article VII, Section ~~23(B)~~ 39(B) of  
 2 this constitution. The decrease in the total amount of ad valorem tax collected by a  
 3 taxing authority as a result of this phase-in of assessed valuation shall be absorbed  
 4 by the taxing authority and shall not create any additional tax liability for other  
 5 taxpayers in the taxing district as a result of any subsequent reappraisal and valuation  
 6 or millage adjustment. Implementation of this phase-in of increase in assessed  
 7 valuation authorized in this Subparagraph shall neither trigger nor be cause for a  
 8 reappraisal of property or an adjustment of millages pursuant to the provisions of  
 9 Article VII, Section ~~23(B)~~ 39(B) of this constitution.

10 (e) The provisions of this Subparagraph shall not apply to the extent the  
 11 increase was attributable to construction on or improvements to the property.

12 (G) Special Assessment Level.

13 (1)(a)(i) The assessment of residential property receiving the homestead  
 14 exemption which is owned and occupied by any of the following and who meet all  
 15 of the other requirements of this Section shall not be increased above the total  
 16 assessment of that property for the first year that the owner qualifies for and receives  
 17 the special assessment level, provided that such person or persons remain qualified  
 18 for and receive the special assessment level:

19 (aa) People who are sixty-five years of age or older.

20 (bb) People who have a service-connected disability rating of fifty percent  
 21 or more by the United States Department of Veterans Affairs.

22 (cc) Members of the armed forces of the United States or the Louisiana  
 23 National Guard who owned and last occupied such property who are killed in action,  
 24 or who are missing in action or are a prisoner of war for a period exceeding ninety  
 25 days.

26 (dd) Any person or persons permanently totally disabled as determined by  
 27 a final non-appealable judgment of a court or as certified by a state or federal  
 28 administrative agency charged with the responsibility for making determinations  
 29 regarding disability.

1           (ii) Any person or persons shall be prohibited from receiving the special  
2 assessment ~~as~~ provided in this Section if such person's or persons' adjusted gross  
3 income, as reported in the federal tax return for the year prior to the application for  
4 the special assessment, exceeds one hundred thousand dollars. For persons applying  
5 for the special assessment whose filing status is married filing separately, the  
6 adjusted gross income for purposes of this Section shall be determined by combining  
7 the adjusted gross income on both federal tax returns. Beginning for the tax year  
8 2026, and for each tax year thereafter, the one hundred thousand dollar limit shall be  
9 adjusted annually by the Consumer Price Index as reported by the United States  
10 Government.

11           (iii) An eligible owner or the owner's spouse or other legally qualified  
12 representative shall apply for the special assessment level by filing a signed  
13 application establishing that the owner qualifies for the special assessment level with  
14 the assessor of the parish or, in the parish of Orleans, the assessor of the district  
15 where the property is located.

16           (iv) An owner who is below the age of sixty-five and who has applied for  
17 and received the special assessment level may qualify for and receive the special  
18 assessment level in the subsequent year by certifying to the assessor of the parish  
19 that such person or persons' adjusted gross income in the prior tax year satisfied the  
20 income requirement of this Section. The provisions of this Item shall not apply to  
21 an owner who has qualified for and received the special assessment level for persons  
22 sixty-five years of age or older or to such owner's surviving spouse as described in  
23 Item (2)(a)(i) of this Paragraph or for an owner who is permanently totally disabled  
24 as provided for in Subitem (i)(dd) of this Subsubparagraph.

25           (b) Any millage rate applied to the special assessment level shall not be  
26 subject to a limitation.

27           (2) Provided such owner is qualified for and receives the special assessment  
28 level, the special assessment level shall remain on the property as long as:

1 (a)(i) The owner who is sixty-five years of age or older, or that owner's  
2 surviving spouse who is fifty-five years of age or older or who has minor children,  
3 remains the owner of the property.

4 (ii) The owner who has a service-connected disability of fifty percent or  
5 more, or that owner's surviving spouse who is forty-five years of age or older or who  
6 has minor children, remains the owner of the property.

7 (iii) The spouse of the owner who is killed in action remains the owner of the  
8 property.

9 (iv) The first day of the tax year following the tax year in which an owner  
10 who was missing in action or was a prisoner of war for a period exceeding ninety  
11 days is no longer missing in action or a prisoner of war.

12 (v) Even if the ownership interest of any surviving spouse or spouse of an  
13 owner who is missing in action as provided for in this Subparagraph is an interest in  
14 usufruct.

15 (b) The value of the property does not increase more than twenty-five  
16 percent because of construction or reconstruction.

17 (3) A new or subsequent owner of the property may claim a special  
18 assessment level when eligible under this Section. The new owner is not necessarily  
19 entitled to the same special assessment level on the property as when that property  
20 was owned by the previous owner.

21 (4)(a) The special assessment level on property that is sold shall  
22 automatically expire on the last day of December in the year prior to the year that the  
23 property is sold. The property shall be immediately revalued at fair market value by  
24 the assessor and shall be assessed by the assessor on the assessment rolls in the year  
25 it was sold at the assessment level provided for in Article VII, Section 18 of the  
26 Constitution of Louisiana.

27 (b) This new assessment level shall remain in effect until changed as  
28 provided by this Section or this Constitution.

1           (5)(a) Any owner entitled to the special assessment level set forth in this  
2 Paragraph who is unable to occupy the homestead on or before December thirty-first  
3 of a future calendar year due to damage or destruction of the homestead caused by  
4 a disaster or emergency declared by the governor shall be entitled to keep the special  
5 assessment level of the homestead prior to its damage or destruction on the repaired  
6 or rebuilt homestead provided the repaired or rebuilt homestead is reoccupied by the  
7 owner within five years from December thirty-first of the year following the disaster.  
8 The assessed value of the land and buildings on which the homestead was located  
9 prior to its damage shall not be increased above its assessed value immediately prior  
10 to the damage or destruction described in this Subsubparagraph. If the property  
11 owner receives a homestead exemption on another homestead during the same five-  
12 year period, the damaged or destroyed property shall not be entitled to keep the  
13 special assessment level, and the land and buildings shall be assessed in that year at  
14 the percentage of fair market value set forth in this constitution. In addition, the  
15 owner shall also maintain the homestead exemption set forth in Article VII, Section  
16 ~~20(A)(10)~~ 34(A)(10) to qualify for the special assessment level in this  
17 Subsubparagraph.

18           (b) Any owner entitled to the special assessment level set forth in  
19 Subsubparagraph (a) of this Subparagraph who is unable to reoccupy his homestead  
20 within five years from December thirty-first of the year following the disaster shall  
21 be eligible for an extension of the special assessment level on the homestead for a  
22 period not to exceed two years. A homeowner shall be eligible for this extension  
23 only if the homeowner's damage claim is filed and pending in a formal appeal  
24 process with any federal, state, or local government agency or program offering  
25 grants or assistance for repairing or rebuilding damaged or destroyed homes as a  
26 result of the disaster, or if a homeowner has a damage claim filed and pending  
27 against the insurer of the property. The homeowner shall apply for this extension of  
28 the special assessment level with the assessor of the parish in which the homestead  
29 is located. The assessor shall require the homeowner to provide official

1 documentation from the government agency or program evidencing the homeowner's  
2 participation in the formal appeal process or official documentation evidencing the  
3 homeowner has a damage claim filed and pending against the insurer of the damaged  
4 property, as provided by law.

5 (c) After expiration of the extension authorized in Subsubparagraph (b) of  
6 this Subparagraph, an assessor shall have the authority to grant on a case-by-case  
7 basis up to three additional one-year extensions of the special assessment level as  
8 prescribed by law.

9 (6)(a) A trust shall be eligible for the special assessment level as provided  
10 by law.

11 (b) If a trust would have been eligible for the special assessment level  
12 pursuant to this Subparagraph prior to the most recent reappraisal, the total  
13 assessment of the property held in trust shall be the assessed value on the last  
14 appraisal before the reappraisal.

15 ~~§19.~~ §33. State Property Taxation; Rate Limitation

16 ~~Section 19.~~ Section 33. State taxation on property for all purposes shall not  
17 exceed an annual rate of five and three-quarter mills on the dollar of assessed  
18 valuation.

19 ~~§20.~~ §34. Homestead Exemption

20 ~~Section 20.~~ Section 34.(A) Homeowners.

21 (1) The bona fide homestead, consisting of a tract of land or two or more  
22 tracts of land even if the land is classified and assessed at use value pursuant to  
23 Article VII, Section ~~18(C)~~ 32(C) of this constitution, with a residence on one tract  
24 and a field with or without timber on it, pasture, or garden on the other tract or tracts,  
25 not exceeding one hundred sixty acres, buildings and appurtenances, whether rural  
26 or urban, owned and occupied by any person or persons owning the property in  
27 indivision, shall be exempt from state, parish, and special ad valorem taxes to the  
28 extent of seven thousand five hundred dollars of the assessed valuation. The same  
29 homestead exemption shall also fully apply to the primary residence, including a

1 mobile home, which serves as a bona fide home and which is owned and occupied  
2 by any person or persons owning the property in indivision, regardless of whether  
3 the homeowner owns the land upon which the home or mobile home is sited;  
4 however, this homestead exemption shall not apply to the land upon which such  
5 primary residence is sited if the homeowner does not own the land.

6 (2) The homestead exemption shall extend and apply fully to the surviving  
7 spouse or a former spouse when the homestead is occupied by the surviving spouse  
8 or a former spouse and title to it is in the name of (a) the surviving spouse as owner  
9 of any interest or either or both of the former spouses, (b) the surviving spouse as  
10 usufructuary, or (c) a testamentary trust established for the benefit of the surviving  
11 spouse and the descendants of the deceased spouse or surviving spouse, but not to  
12 more than one homestead owned by either ~~the husband or wife~~, spouse, or both.

13 (3) The homestead exemption shall extend to property owned by a trust  
14 when the principal beneficiary or beneficiaries of the trust are the settlor or settlors  
15 of the trust and were the immediate prior owners of the homestead, and the  
16 homestead is occupied as such by a principal beneficiary. The provisions of this  
17 Subparagraph shall apply only to property which qualified for the homestead  
18 exemption immediately prior to transfer, conveyance, or donation in trust or which  
19 would have qualified for the homestead exemption if such property were not owned  
20 in trust.

21 (4) The homestead exemption shall extend to property where the usufruct of  
22 the property has been granted to no more than two usufructuaries who were the  
23 immediate prior owners of the homestead and the homestead is occupied ~~as such~~ by  
24 a usufructuary. The provisions of this Subparagraph shall apply only to property  
25 which qualified for the homestead exemption immediately prior to the granting of  
26 such usufruct, or which would have qualified for the homestead exemption if such  
27 usufruct had not been granted.

28 (5) The homestead exemption shall extend only to a natural person or  
29 persons and to a trust created by a natural person or persons, in which the

1 beneficiaries of the trust are a natural person or persons provided that the provisions  
2 of this Paragraph are otherwise satisfied.

3 (6) Except as otherwise provided for in this Paragraph, the homestead  
4 exemption shall apply to property owned in indivision, but shall be limited to the pro  
5 rata ownership interest of ~~that~~ each person or persons occupying the homestead.

6 (7) No homestead exemption shall be granted on bond for deed property.  
7 However, any homestead exemption granted prior to June 20, 2003 on any property  
8 occupied ~~upon the effective date of this Paragraph on November 2, 2004,~~ by a buyer  
9 under a bond for deed contract shall remain valid as long as the circumstances giving  
10 rise to the exemption at the time the exemption was granted remain applicable.

11 (8) Notwithstanding any provision of this Paragraph to the contrary, in no  
12 event shall more than one homestead exemption extend or apply to any person in this  
13 state.

14 (9) This exemption shall not extend to municipal taxes. However, the  
15 exemptions authorized pursuant to the provisions of this Section shall apply (a) in  
16 Orleans Parish, to state, general city, school, levee, and levee district taxes and (b)  
17 to any municipal taxes levied for school purposes.

18 (10)(a) Any homestead receiving the homestead exemption that is damaged  
19 or destroyed during a disaster or emergency declared by the governor whose owner  
20 is unable to occupy the homestead on or before December thirty-first of a calendar  
21 year due to such damage or destruction shall be entitled to claim and keep the  
22 exemption by filing an annual affidavit of intent to return and reoccupy the  
23 homestead within five years from December thirty-first of the year following the  
24 disaster with the assessor within the parish or district where such homestead is  
25 situated prior to December thirty-first of the year in which the exemption is claimed.  
26 In no event shall more than one homestead exemption extend or apply to any person  
27 in this state.

28 (b) For homesteads qualifying for the homestead exemption under the  
29 provisions of Subsubparagraph (a) of this Subparagraph, after expiration of the five-

1 year period, the owner of a homestead shall be entitled to claim and keep the  
 2 exemption for a period not to exceed two additional years by filing an annual  
 3 affidavit of intent to return and reoccupy the homestead with the assessor within the  
 4 parish where the homestead is located prior to December thirty-first of the year in  
 5 which the exemption is claimed. A homeowner shall be eligible for this extension  
 6 only if the homeowner's damage claim to repair or rebuild the damaged or destroyed  
 7 homestead is filed and pending in a formal appeal process with any federal, state, or  
 8 local government agency or program offering grants or assistance for repairing or  
 9 rebuilding damaged or destroyed homes as a result of the disaster, or if a homeowner  
 10 has a damage claim filed and pending against the insurer of the property. The  
 11 assessor shall require the homeowner to provide official documentation from the  
 12 government agency or program evidencing the homeowner's participation in the  
 13 formal appeal process or official documentation evidencing the ~~homeowners~~  
 14 homeowner has a damage claim filed and pending against the insurer of the property  
 15 as provided by law.

16 (c) After expiration of the extension authorized in Subsubparagraph (b) of  
 17 this Subparagraph, an assessor shall have the authority to grant on a case-by-case  
 18 basis up to three additional one-year extensions of the homestead exemption as  
 19 prescribed by law.

20 (B) Residential Lessees. Notwithstanding any contrary provision in this  
 21 constitution, the legislature may provide for tax relief to residential lessees in the  
 22 form of credits or rebates in order to provide equitable tax relief similar to that  
 23 granted to homeowners through homestead exemptions.

24 ~~§21. §35.~~ Other Property Exemptions

25 ~~Section 21. Section 35.~~ Section 35. In addition to the homestead exemption provided for  
 26 in ~~Section 20~~ Section 34 of this Article, the following property and no other shall be  
 27 exempt from ad valorem taxation:

1 (A) Public lands and other public property used for public purposes. Land  
2 or property owned by another state or owned by a political subdivision of another  
3 state shall not be exempt ~~under~~ pursuant to the provisions of this Paragraph.

4 (B)(1)(a)(i) Property owned by a nonprofit corporation or association  
5 organized and operated exclusively for religious, dedicated places of burial,  
6 charitable, health, welfare, fraternal, or educational purposes, no part of the net  
7 earnings of which inure to the benefit of any private shareholder or member thereof  
8 and that is declared to be exempt from federal or state income tax; and

9 (ii) Medical equipment leased for a term exceeding five years to such a  
10 nonprofit corporation or association that owns or operates a small, rural hospital and  
11 that uses the equipment solely for health care purposes at the hospital, provided that  
12 the property shall be exempt only during the term of the lease to such corporation or  
13 association, and further provided that "small, rural hospital" shall mean a hospital  
14 that meets all of the following criteria:

15 (aa) It has less than fifty Medicare-licensed acute care beds.

16 (bb) It is located in a municipality with a population of less than ten  
17 thousand that has been classified as an area with a shortage of health manpower by  
18 the United States Health Service, or its successor agency; and

19 (b) Property leased to such a nonprofit corporation or association for use  
20 solely as housing for homeless persons, as defined by regulation adopted by the tax  
21 commission or its successor provided that the term of such lease shall be for at least  
22 five years, that as a condition of entering into the lease the property be in compliance  
23 with all applicable health and sanitation codes for use as housing for homeless  
24 persons, that the lease shall provide that compensation to be paid the lessor shall not  
25 exceed one dollar per year, and that such contract of lease shall recite that the  
26 property shall be used exclusively for the purpose of housing the homeless, and  
27 further provided that at such time as the property is no longer used solely as housing  
28 for homeless persons, the property shall no longer be exempt from taxation;

1           (2) Property of a bona fide labor organization representing its members or  
2 affiliates in collective bargaining efforts; and

3           (3) Property of an organization such as a lodge or club organized for  
4 charitable and fraternal purposes and practicing the same, and property of a nonprofit  
5 corporation devoted to promoting trade, travel, and commerce, and also property of  
6 a trade, business, industry or professional society or association, if that property is  
7 owned by a nonprofit corporation or association organized under the laws of this  
8 state for such purposes.

9           (4)(a) None of the property listed in this Paragraph shall be exempt if owned,  
10 operated, leased, or used for commercial purposes unrelated to the exempt purposes  
11 of the corporation or association.

12           (b)(i) None of the property listed in this Paragraph shall be exempt if the  
13 property is owned by a nonprofit corporation or association and the governing  
14 authority of the municipality or parish in which the property is located determines  
15 all of the following:

16           (aa) The property is leased as housing, is in a state of disrepair, and  
17 manifests conditions which endanger the health or safety of the public.

18           (bb) The owner of the property habitually neglects maintenance of the  
19 property as evidenced by three or more sustained code enforcement violations issued  
20 for the property in the prior twelve months for matters that endanger the health or  
21 safety of residents of the property or of persons in the area surrounding the property.

22 For purposes of this Item, matters deemed to endanger health or safety include  
23 structural instability due to deterioration; injurious or toxic ventilation; contaminated  
24 or inoperable water supply; holes, breaks, rotting materials, or mold in walls; roof  
25 defects that admit rain; unsecured overhang extensions in danger of collapse; a  
26 hazardous electrical system; improper connection of fuel-burning appliances or  
27 equipment; an inactive or inoperable fire detection system; an unsecured or  
28 contaminated swimming pool; or any combination of these.

1           (ii) An ad valorem tax exemption denied or revoked pursuant to the  
2 provisions of Item (i) of this Subsubparagraph may be issued or reinstated if the  
3 governing authority of the municipality or parish in which the property is located  
4 determines that the conditions enumerated in Item (i) of this Subsubparagraph no  
5 longer exist.

6           (C)(1) Cash on hand or deposit;

7           (2) stocks and bonds, except bank stocks, the tax on which shall be paid by  
8 the banking institution;

9           (3) obligations secured by mortgage on property located in Louisiana and the  
10 notes or other evidence thereof;

11           (4) loans by life insurance companies to policyholders, if secured solely by  
12 their policies;

13           (5) the legal reserve of domestic life insurance companies;

14           (6) loans by a homestead or building and loan association to its members, if  
15 secured solely by stock of the association;

16           (7) debts due for merchandise or other articles of commerce or for services  
17 rendered;

18           (8) obligations of the state or its political subdivisions;

19           (9) personal property used in the home or on loan in a public place;

20           (10) irrevocably dedicated places of burial held by individuals for purposes  
21 of burial of themselves or members of their families;

22           (11) agricultural products while owned by the producer, agricultural  
23 machinery and other implements used exclusively for agricultural purposes, animals  
24 on the farm, and property belonging to an agricultural fair association;

25           (12) property used for cultural, Mardi Gras carnival, or civic activities and  
26 not operated for profit to the owners;

27           (13) rights-of-way granted to the ~~State Department of Highways~~ state  
28 Department of Transportation and Development;

29           (14) boats using gasoline as motor fuel;

1 (15) commercial vessels used for gathering seafood for human consumption;  
2 and

3 (16) ships and oceangoing tugs, towboats, and barges engaged in  
4 international trade and domiciled in Louisiana ports. However, this exemption shall  
5 not apply to harbor, wharf, shed, and other port dues or to any vessel operated in the  
6 coastal trade of the states of the United States.

7 (17) Materials, boiler fuels, and energy sources used by public utilities to  
8 fuel the generation of electricity.

9 (18) All incorporeal movables of any kind or nature whatsoever, except  
10 public service properties, bank stocks, and credit assessments on premiums written  
11 in Louisiana by insurance companies and loan and finance companies. For purposes  
12 of this Section, incorporeal movables shall have the meaning set forth in the  
13 Louisiana Civil Code of 1870, as amended.

14 (19) All artwork including sculptures, glass works, paintings, drawings,  
15 signed and numbered posters, photographs, mixed media, collages, or any other item  
16 which would be considered as the material result of a creative endeavor which is  
17 listed as a consignment article by an art dealer.

18 (D)(1) Raw materials, goods, commodities, and articles imported into this  
19 state from outside the states of the United States:

20 (a) so long as the imports remain on the public property of the port authority  
21 or docks of the common carrier where they first entered this state;

22 (b) so long as the imports (other than minerals and ores of the same kind as  
23 any mined or produced in this state and manufactured articles) are held in this state  
24 in the original form in bales, sacks, barrels, boxes, cartons, containers, or other  
25 original packages, and raw materials held in bulk as all or a part of the new material  
26 inventory of manufacturers or processors, solely for manufacturing or processing;  
27 or

28 (c) so long as the imports are held by an importer in any public or private  
29 storage in the original form in bales, sacks, barrels, boxes, cartons, containers, or

1 other original packages and agricultural products in bulk. This exemption shall not  
2 apply to these imports when held by a retail merchant as part of his stock-in-trade for  
3 sale at retail.

4 (2) Raw materials, goods, commodities, and other articles being held on the  
5 public property of a port authority, on docks of any common carrier, or in a  
6 warehouse, grain elevator, dock, wharf, or public storage facility in this state for  
7 export to a point outside the states of the United States.

8 (3) Goods, commodities, and personal property in public or private storage  
9 while in transit through this state which are moving in interstate commerce through  
10 or over the territory of the state or which are in public or private storage within  
11 Louisiana, having been shipped from outside Louisiana for storage in transit to a  
12 final destination outside Louisiana, whether such destination was specified when  
13 transportation began or afterward.

14 Property described in Paragraph (D), whether or not entitled to exemption,  
15 shall be reported to the proper taxing authority on the forms required by law.

16 (E) Motor vehicles used on the public highways of this state, from state,  
17 parish, municipal, and special ad valorem taxes.

18 (F)(1) Notwithstanding any contrary provision of this Section, the State  
19 Board of Commerce and Industry or its successor, with the approval of the governor,  
20 may enter into contracts for the exemption from ad valorem taxes of a new  
21 manufacturing establishment or an addition to an existing manufacturing  
22 establishment, on such terms and conditions as the board, with the approval of the  
23 governor, deems in the best interest of the state.

24 (2) The exemption shall be for an initial term of no more than five calendar  
25 years, and may be renewed for an additional five years. All property exempted shall  
26 be listed on the assessment rolls and submitted to the Louisiana Tax Commission or  
27 its successor, but no taxes shall be collected thereon during the period of exemption.

28 (3) The terms "manufacturing establishment" and "addition" as used herein  
29 mean a new plant or establishment or an addition or additions to any existing plant

1 or establishment which engages in the business of working raw materials into wares  
2 suitable for use or which gives new shapes, qualities or combinations to matter which  
3 already has gone through some artificial process.

4 (G) Coal or lignite stockpiled in Louisiana for use in Louisiana for industrial  
5 or manufacturing purposes or for boiler fuel, gasification, feedstock, or process  
6 purposes.

7 (H) Notwithstanding any contrary provision of this constitution, the State  
8 Board of Commerce and Industry or its successor, with the approval of the governor  
9 and the local governing authority and in accordance with procedures and conditions  
10 provided by law, may enter into contracts granting to a property owner, who  
11 proposes the expansion, restoration, improvement, or development of an existing  
12 structure or structures in a downtown, historic, or economic development district  
13 established by a local governing authority or in accordance with law, the right for an  
14 initial term of five years after completion of the work to pay ad valorem taxes based  
15 upon the assessed valuation of the property for the year prior to the commencement  
16 of the expansion, restoration, improvement, or development. Contracts may be  
17 renewed, subject to the same conditions, for an additional five years extending such  
18 right for a total of ten years from completion of the work.

19 (I)(1) Notwithstanding any contrary provision of this Section, the authority  
20 or district charged with economic development of each parish is hereby authorized  
21 to enter into contracts for the exemption from parish, municipal, and special ad  
22 valorem taxes of goods held in inventory by distribution centers. In the absence of  
23 the existence of an economic development authority or district, the parish governing  
24 authority is authorized to grant contracts of exemption as are provided for in this  
25 Paragraph.

26 (2) The contract for exemption shall be on such terms and to the extent, up  
27 to and including the full assessed valuation of the goods held in inventory, as the  
28 economic development authority or district deems in the best interest of the parish.  
29 However, prior to entering into each individual contract, the economic development

1 authority or district must request and receive written approval of the contract,  
2 including its terms and an estimated fiscal impact, from each affected tax recipient  
3 body in the parish, as evidenced by a favorable vote of a majority of the members of  
4 the governing authority of the tax recipient body. Failure to receive all required  
5 approvals from the tax recipient bodies before entering into a contract shall render  
6 the contract null and void and of no effect.

7 (3) The term "distribution center" as used herein means an establishment  
8 engaged in the sale of products for resale or further processing for resale. The term  
9 "goods held in inventory" as used herein means goods or products which have been  
10 given new shapes, qualities, or combinations through some artificial process and  
11 does not include raw materials such as natural gas, crude oil, sulphur, or timber or  
12 goods or products held for sale to consumers.

13 (J)(1) Drilling rigs used exclusively for the exploration and development of  
14 minerals outside the territorial limits of the state in Outer Continental Shelf waters  
15 which are within the state for the purpose of being stored or stacked for use outside  
16 the territorial limits of the state, or for the purpose of being converted, renovated, or  
17 repaired, and any property in the state for the purpose of being incorporated in, or to  
18 be used in the operation of said drilling rigs.

19 (2) The exemption provided in this Paragraph shall be applicable in any  
20 parish in which the exemption has been approved by a majority of the electors of the  
21 parish voting thereon at an election called for that purpose.

22 (K)(1)(a) In addition to the homestead exemption authorized pursuant to the  
23 provisions of Section ~~20~~ 34 of this Article, which applies to the first seven thousand  
24 five hundred dollars of the assessed valuation of property, the next two thousand five  
25 hundred dollars of the assessed valuation of property receiving the homestead  
26 exemption that is owned and occupied by a veteran with a service-connected  
27 disability rating of fifty percent or more but less than seventy percent by the United  
28 States Department of Veterans Affairs shall be exempt from ad valorem taxation.  
29 The surviving spouse of a deceased veteran with a service-connected disability rating

1 of fifty percent or more but less than seventy percent by the United States  
2 Department of Veterans Affairs shall be eligible for this exemption if the surviving  
3 spouse occupies and remains the owner of the property, whether or not the  
4 exemption was in effect on the property prior to the death of the veteran. If property  
5 eligible for the exemption provided for in this Subsubparagraph has an assessed  
6 value in excess of ten thousand dollars, ad valorem property taxes shall apply to the  
7 assessment in excess of ten thousand dollars.

8 (b) In addition to the homestead exemption authorized pursuant to the  
9 provisions of Section ~~20~~ 34 of this Article, which applies to the first seven thousand  
10 five hundred dollars of the assessed valuation of property, the next four thousand five  
11 hundred dollars of the assessed valuation of property owned and occupied by a  
12 veteran with a service-connected disability rating of seventy percent or more but less  
13 than one hundred percent by the United States Department of Veterans Affairs shall  
14 be exempt from ad valorem taxation. The surviving spouse of a deceased veteran  
15 with a service-connected disability rating of seventy percent or more but less than  
16 one hundred percent by the United States Department of Veterans Affairs shall be  
17 eligible for this exemption if the surviving spouse occupies and remains the owner  
18 of the property, whether or not the exemption was in effect on the property prior to  
19 the death of the veteran. If property eligible for the exemption provided for in this  
20 Subsubparagraph has an assessed value in excess of twelve thousand dollars, ad  
21 valorem property taxes shall apply to the assessment in excess of twelve thousand  
22 dollars.

23 (c) In addition to the homestead exemption authorized pursuant to the  
24 provisions of Section ~~20~~ 34 of this Article, which applies to the first seven thousand  
25 five hundred dollars of the assessed valuation of property, the remaining assessed  
26 valuation of property receiving the homestead exemption that is owned and occupied  
27 by a veteran with a service-connected disability rating of one hundred percent  
28 unemployability or totally disabled by the United States Department of Veterans  
29 Affairs shall be exempt from ad valorem taxation. The surviving spouse of a

1           deceased veteran with a service-connected disability rating of one hundred percent  
2           unemployability or totally disabled by the United States Department of Veterans  
3           Affairs shall be eligible for this exemption if the surviving spouse occupies and  
4           remains the owner of the property, whether or not the exemption was in effect on the  
5           property prior to the death of the veteran.

6           (2) Notwithstanding any provision of this Constitution to the contrary, the  
7           property assessment of a property for which an exemption established pursuant to  
8           this Paragraph has been claimed, to the extent of the applicable exemption, shall not  
9           be treated as taxable property for purposes of any subsequent reappraisals and  
10          valuation for millage adjustment purposes pursuant to Section ~~23(B)~~ 39(B) of this  
11          Article. The decrease in the total amount of ad valorem tax collected by a taxing  
12          authority as a result of the exemption shall be absorbed by the taxing authority and  
13          shall not create any additional tax liability for other taxpayers in the taxing district  
14          as a result of any subsequent reappraisal and valuation or millage adjustment.  
15          Implementation of the exemption authorized in this Paragraph shall neither trigger  
16          nor be cause for a reappraisal of property or an adjustment of millages pursuant to  
17          the provisions of Section ~~23(B)~~ 39(B) of this Article.

18          (3) A trust shall be eligible for the exemption provided for in this Paragraph  
19          as provided by law.

20          (L)(1) Except as otherwise provided herein, property owned or leased by,  
21          and used by, a targeted non-manufacturing business in the operation of its facility,  
22          including buildings, improvements, equipment, and other property necessary or  
23          beneficial to such operation, according to a program and pursuant to contracts of  
24          exemption which contain such terms and conditions which shall be provided by law.  
25          Land underlying the facility and other property pertaining to the facility on which ad  
26          valorem taxes have previously been paid, inventories, consumables, and property  
27          eligible for the manufacturing exemption provided by Paragraph (F) of this Section,  
28          shall not be exempt under this Paragraph.

1           (2) Ad valorem taxes shall apply to the assessed valuation of the first ten  
2 million dollars or ten percent of fair market value, whichever is greater, and this  
3 amount of property shall not be exempt under this Paragraph.

4           (3) A targeted non-manufacturing business means at least fifty percent of  
5 such business' total annual sales from a site or sites in the state is to out-of-state  
6 customers or buyers, or to in-state customers or buyers but the product or service is  
7 resold by the purchaser to an out-of-state customer or buyer for ultimate use, or to  
8 the federal government, or any combination thereof. The legislature may provide by  
9 law for the inclusion of sales by affiliates when appropriate in making this fifty  
10 percent determination.

11           (4) A contract for the exemption shall be available only in parishes which  
12 have agreed to participate, in the manner provided by the legislature by law.

13           (M) There is hereby established an exemption from ad valorem tax for the  
14 total assessed value of the homestead of the unmarried surviving spouse of a person  
15 who died under the conditions enumerated in Subsubparagraph (1)(a) or (b) of this  
16 Paragraph, and if the conditions established in Subsubparagraph (1)(c) of this  
17 Paragraph are met.

18           (1)(a) For ad valorem taxes due in 2017 and thereafter, the exemption shall  
19 apply beginning in the tax year in which any of the following persons died or 2017,  
20 whichever is later:

21           (i) A member of the armed forces of the United States or the Louisiana  
22 National Guard who died while on active duty.

23           (ii) A state police officer who died while on duty.

24           (iii) A law enforcement or fire protection officer who qualified for the salary  
25 supplement authorized in Section ~~14~~ 14(D)(3) of this Article who died while on duty.

26           (b) For ad valorem taxes due in 2018 and thereafter, the exemption shall  
27 apply beginning in the tax year in which any of the following persons died or 2018,  
28 whichever is later:

1 (i) An emergency medical responder, technician, or paramedic, as such terms  
2 may be defined by law, who died while performing the duties of their employment.

3 (ii) A volunteer firefighter, verified by the Office of the State Fire Marshal  
4 to have died while performing firefighting duties.

5 (iii) A law enforcement or fire protection officer who died while on duty and  
6 who would have qualified for the salary supplement authorized in Section ~~10~~  
7 14(D)(3) of this Article if he had completed the first year of his employment before  
8 his death.

9 (c)(i) The property is eligible for the homestead exemption and the property  
10 was the residence of a person listed within Subsubparagraph (a) or (b) of this  
11 Subparagraph at the time of that person's death.

12 (ii) The surviving spouse has not remarried.

13 (iii) The surviving spouse annually provides evidence of their eligibility for  
14 the exemption in accordance with the requirements of Subparagraph (2) of this  
15 Paragraph.

16 (2) Each assessor shall establish a procedure whereby a person may annually  
17 apply for the exemption. Eligibility for the exemption shall be established by the  
18 production of documents and certification of information by the surviving spouse to  
19 the assessor as follows:

20 (a) In an initial application for the exemption, the surviving spouse shall  
21 produce documentation issued by their deceased spouse's employer evidencing the  
22 death.

23 (b) For purposes of the continuation of an existing exemption, the surviving  
24 spouse shall annually provide a sworn statement to the assessor attesting to the fact  
25 that the surviving spouse has not remarried.

26 (3) Once an unmarried surviving spouse has qualified for and taken the  
27 exemption, if the surviving spouse then acquires a different property which qualifies  
28 for the homestead exemption, the surviving spouse shall be entitled to an exemption  
29 on that subsequent homestead, the exemption being limited in value to the amount

1 of the exemption claimed on the prior homestead in the last year for which the  
2 exemption was claimed. The assessor may require the submission of certain  
3 information concerning the amount of the exemption on the prior homestead for  
4 purposes of determining the extent of the exemption available for the subsequent  
5 homestead.

6 (4) A trust shall be eligible for the exemption provided for in this Paragraph  
7 as provided by law.

8 (N)(1) All property delivered to a construction project site for the purpose of  
9 incorporating the property into any tract of land, building, or other construction as  
10 a component part, including the type of property that may be deemed to be a  
11 component part once placed on an immovable for its service and improvement  
12 pursuant to the provisions of the Louisiana Civil Code of 1870, as amended. The  
13 exemption provided for in this Paragraph shall be applicable until the construction  
14 project for which the property has been delivered is complete. A construction project  
15 shall be deemed complete when construction is finished to the extent that the project  
16 can be used or occupied for its intended purpose. A construction project shall not be  
17 deemed complete during its inspection, testing, or commissioning stages, as defined  
18 by reasonable industry standards.

19 (2) Notwithstanding the provisions of Subparagraph (1) of this Paragraph,  
20 this exemption shall not apply to any of the following:

21 (a) Any portion of a construction project that is complete, available for its  
22 intended use, or operational on the date that property is assessed.

23 (b) For projects constructed in two or more distinct phases, any phase of the  
24 construction project that is complete, available for its intended use, or operational on  
25 the date the property is assessed.

26 (c) Any public service property, unless the public service property is  
27 otherwise eligible for an exemption provided by any other provision of this  
28 constitution.

1 (O)(1) In addition to the homestead exemption authorized pursuant to the  
2 provisions of Section ~~20~~ 34 of this Article, which applies to the first seven thousand  
3 five hundred dollars of the assessed valuation of property, a parish governing  
4 authority may approve an ad valorem tax exemption of up to two thousand five  
5 hundred dollars of the assessed valuation of property receiving the homestead  
6 exemption that is owned and occupied by a qualified first responder.

7 (2) For the purposes of this Paragraph, "first responder" shall mean a  
8 volunteer firefighter who has completed within the tax year no fewer than twenty-  
9 four hours of firefighter continuing education and is an active member of the  
10 Louisiana State Firemen's Association or is on the departmental personnel roster of  
11 the Volunteer Firefighter Insurance Program of the office of state fire marshal. For  
12 the purposes of this Paragraph, "first responder" shall also mean a full-time public  
13 employee whose duties include responding rapidly to an emergency and who resides  
14 in the same parish in which their employer is located. The term includes the  
15 following:

16 (a) Peace officer, which means any sheriff, police officer, or other person  
17 deputized by proper authority to serve as a peace officer.

18 (b) Fire protection personnel.

19 (c) An individual certified as emergency medical services personnel.

20 (d) An emergency response operator or emergency services dispatcher who  
21 provides communication support services for an agency by responding to requests  
22 for assistance in emergencies.

23 (3) The exemption provided for in this Paragraph shall only apply in a parish  
24 if it is approved by the parish governing authority.

25 (4) Each tax assessor shall establish a procedure whereby a person may  
26 annually apply for the exemption which shall include the production of documents  
27 by the first responder. In the application for the exemption, the first responder shall  
28 produce documentation issued by his employer evidencing employment for the  
29 taxable period for which the exemption is being requested.

1           (5) Notwithstanding any provision of this Constitution to the contrary, any  
2           decrease in the total amount of ad valorem tax collected by the taxing authority as  
3           a result of an ad valorem tax exemption granted pursuant to this Paragraph shall be  
4           absorbed by the taxing authority and shall not create any additional tax liability for  
5           other taxpayers in the taxing district as a result of any subsequent reappraisal and  
6           valuation or millage adjustment. Implementation of the exemption authorized in this  
7           Paragraph shall neither trigger nor be cause for a reappraisal of property or an  
8           adjustment of millages.

9           §36. Ad valorem tax; Business inventory tax exemption prohibition

10           Section 36. Notwithstanding any provision of this constitution to the  
11           contrary, the legislature shall not enact any law mandating any taxing authority to  
12           exempt business inventory from ad valorem tax. For purposes of this Section,  
13           "business inventory" means the aggregate of those items of tangible personal  
14           property that are held for sale in the ordinary course of business, are currently in the  
15           process of production for subsequent sale, or are to physically become a part of the  
16           production of such goods.

17           §37. Ad Valorem Tax Exemption Funding

18           Section 37. There shall be a one-time payment from the Revenue  
19           Stabilization Fund to each parish that elects to irrevocably exempt, in accordance  
20           with law, business inventory from ad valorem tax. Any payment made pursuant to  
21           this Section shall be disbursed by the treasurer to the tax collector of the parish. The  
22           tax collector shall distribute the monies pro rata to each taxing authority that levies  
23           an ad valorem tax within the parish. The amount of the payment shall be calculated  
24           as provided by law and certified by the Department of Revenue. Notwithstanding  
25           any provision of this constitution to the contrary, monies shall be disbursed by the  
26           treasurer to the collector within thirty days of receipt of a certification from the  
27           secretary of the Department of Revenue that the parish has irrevocably elected to  
28           exempt business inventory from ad valorem tax.

1       ~~§22: §38.~~ §38. No Impairment of Existing Taxes or Obligations

2               ~~Section 22: Section 38. This Part~~ Nothing in this constitution or in law shall  
3       not be applied in a manner which will (a) invalidate taxes authorized and imposed  
4       prior to the effective date of this constitution or (b) impair the obligations, validity,  
5       or security of any bonds or other debt obligations authorized prior to the effective  
6       date of this constitution or any amendment to this Article.

7       ~~§23: §39.~~ §39. Adjustment of Ad Valorem Tax Millages

8               ~~Section 23: 39.(A) First Adjustment. Prior to the end of the third year after~~  
9       ~~the effective date of this constitution, the assessors and the Louisiana Tax~~  
10       ~~Commission or its successor shall complete determination of the fair market value~~  
11       ~~or the use value of all property subject to taxation within each parish for use in~~  
12       ~~implementing this Article. Except as provided in this Section, the total amount of~~  
13       ~~ad valorem taxes collected by any taxing authority in the year in which Sections 18~~  
14       ~~and 20 of this Article are implemented shall not be increased or decreased, because~~  
15       ~~of their provisions, above or below ad valorem taxes collected by that taxing~~  
16       ~~authority in the year preceding implementation. To accomplish this result, it shall~~  
17       ~~be mandatory for each affected taxing authority, in the year in which Sections 18 and~~  
18       ~~20 of this Article are implemented, to adjust millages upwards or downwards without~~  
19       ~~regard to millage limitations contained in this constitution, and the maximum~~  
20       ~~authorized millages shall be increased or decreased, without further voter approval,~~  
21       ~~in proportion to the amount of the adjustment upward or downward. Thereafter,~~  
22       ~~such millages~~ Establishment. Millages in effect on the effective date of this Section  
23       shall remain in effect unless changed as permitted by this constitution.

24               (B) ~~Subsequent Adjustments. Except as otherwise permitted in this Section,~~  
25       ~~the total amount of ad valorem taxes collected by any taxing authority in the year in~~  
26       ~~which the reappraisal and valuation provisions of Section 18, Paragraph (F) of this~~  
27       ~~Article are implemented shall not be increased or decreased because of a reappraisal~~  
28       ~~or valuation or increases or decreases in the homestead exemption above or below~~  
29       ~~the total amount of ad valorem taxes collected by that taxing authority in the year~~

1 preceding implementation of the reappraisal and valuation. To accomplish this  
 2 result, the provisions of millage adjustments relative to implementation of Section  
 3 18 and Section 20 of this Article, as set forth in Paragraph (A) of this Section shall  
 4 be mandatory. Thereafter, following implementation of Following each subsequent  
 5 reappraisal and valuation required by Paragraph (F) of Section ~~18~~ 32 of this Article,  
 6 the millages as fixed in each such implementation shall remain in effect unless  
 7 changed as permitted by Paragraph (C) of this Section.

8 (C) Increases Permitted. Nothing herein shall prohibit a taxing authority  
 9 from ~~collecting, in the year in which Sections 18 and 20 of this Article are~~  
 10 ~~implemented or in any subsequent year,~~ collecting a larger dollar amount of ad  
 11 valorem taxes by (1) levying additional or increased millages as provided by law or  
 12 (2) placing additional property on the tax rolls. Increases in the millage rate in  
 13 excess of the rates established as provided by Paragraph (B) above but not in excess  
 14 of the prior year's maximum authorized millage rate may be levied by two-thirds  
 15 vote of the total membership of a taxing authority without further voter approval but  
 16 only after a public hearing held in accordance with the open meetings law; however,  
 17 in addition to any other requirements of the open meetings law, public notice of the  
 18 time, place, and subject matter of such hearing shall be published on two separate  
 19 days no less than thirty days before the public hearing. Such public notice shall be  
 20 published in the official journal of the taxing authority, and another newspaper with  
 21 a larger circulation within the taxing authority than the official journal of the taxing  
 22 authority, if there is one.

23 (D) Application. This Section shall not apply to millages required to be  
 24 levied for the payment of general obligation bonds.

25 ~~§24.~~ §40. Tax Assessors

26 ~~Section 24.~~ Section 40.(A) Election; Term. A tax assessor shall be elected  
 27 by the electors of each parish. ~~His~~ The term of office shall be four years. ~~His~~ A tax  
 28 assessor's election, duties, and compensation shall be as provided by law.

1 (B) Orleans Parish. The assessor shall be elected at the same time as the  
2 municipal officers of New Orleans.

3 (C) Vacancy. When a vacancy occurs in the office of tax assessor, the duties  
4 of the office, until filled by election as provided by law, shall be assumed by the  
5 chief deputy assessor.

6 ~~§25. §41.~~ Tax Sales Administration

7 ~~Section 25. Section 41.~~(A) Immovables. (1) There shall be no forfeiture of  
8 property for nonpayment of taxes. However, the assessment of ad valorem taxes and  
9 other impositions on immovable property shall constitute a lien and privilege on the  
10 property assessed in favor of the political subdivision to which taxes and other  
11 impositions are owed. The legislature shall ~~provide, by law,~~ provide by law for the  
12 efficient administration of tax sales, which shall include at a minimum:

13 (a) Imposition of interest on the delinquent taxes and other impositions not  
14 to exceed one percent per month on a noncompounding basis.

15 (b) Imposition of penalty not to exceed five percent of the delinquent taxes  
16 and other impositions.

17 (c) A period of time during which the lien cannot be enforced.

18 (d) A procedure for claiming the excess proceeds from the sale of the  
19 property, as a result of the enforcement of the lien.

20 (2) The legislature may, by law, provide authority to the tax collector to  
21 waive penalties for good cause.

22 (B) Movable; Tax Sales. (1) When taxes on movables are delinquent, the  
23 tax collector shall seize and sell sufficient movable property of the delinquent  
24 taxpayer to pay the tax, whether or not the property seized is the property which was  
25 assessed. Sale of the property shall be at public auction, without appraisal, after  
26 ten days' advertisement, published within ten days after date of seizure. It shall be  
27 absolute and without redemption.

28 (2) If the tax collector can find no corporeal movables of the delinquent to  
29 seize, the tax collector may levy on incorporeal rights, by notifying the debtor

1           thereof, or the tax collector may proceed by summary rule in the courts to compel  
2           the delinquent to deliver for sale property in his possession or under his control.

3                   (C) Postponement of Taxes. The legislature may postpone the payment of  
4           taxes, but only in cases of an emergency declared by the governor or a parish  
5           president pursuant to the Louisiana Homeland Security and Emergency Assistance  
6           and Disaster Act, and may provide for the levying, assessing, and collecting of such  
7           postponed taxes. In such case, the legislature may authorize the borrowing of money  
8           by the state on its faith and credit, by bond issue or otherwise, and may levy taxes,  
9           or apply taxes already levied and not appropriated, to secure payment thereof, in  
10          order to create a fund from which loans may be made through the Interim Emergency  
11          Board to the governing authority of the parish where taxes are postponed. The  
12          money loaned shall be applied to and shall not exceed the deficiency in revenue of  
13          the parish or a political subdivision therein or of which the parish is a part caused by  
14          postponement of taxes. No loan shall be made to a parish governing authority  
15          without the approval of the Interim Emergency Board.

### 16                                   PART III. REVENUE SHARING

17          ~~§26.~~ §42. Revenue Sharing Fund

18                   ~~Section 26.~~ Section 42.(A) Creation of Fund. The Revenue Sharing Fund is  
19          created as a special fund in the state treasury.

20                   (B) Annual Allocation. The sum of ninety million dollars is shall be  
21          allocated annually from the state general fund to the revenue sharing fund. The  
22          legislature may appropriate additional sums to the fund.

23                   (C) Distribution Formula. The revenue sharing fund shall be distributed  
24          annually as provided by law solely on the basis of population and number of  
25          homesteads in each parish in proportion to population and the number of homesteads  
26          throughout the state. Unless otherwise provided by law, population statistics of the  
27          last federal decennial census shall be utilized for this purpose. After deductions in  
28          each parish for retirement systems and commissions as authorized by law, the  
29          remaining funds, to the extent available, shall be distributed by first priority to the

1 tax recipient bodies within the parish, as defined by law, to offset current losses  
2 because of the homestead exemptions granted exemption permitted in this Article.

3 Any balance remaining in a parish distribution shall be allocated to the  
4 municipalities and tax recipient bodies within each parish as provided by law.

5 (D) Distributing Officer. The funds distributed to each parish as provided  
6 in Paragraph (C) shall be distributed in Orleans Parish by the city treasurer of New  
7 Orleans and in all other parishes by the parish tax collector. The funds allocated to  
8 the Monroe City School Board or its successor shall be distributed to and by the city  
9 treasurer of Monroe.

10 (E) Bonded Debt. A political subdivision, as defined by Article VI of this  
11 constitution, may incur debt by issuing negotiable bonds and may pledge for the  
12 payment of all or part of the principal and interest of such bonds the proceeds  
13 derived or to be derived from that portion of the funds received by it from the  
14 revenue sharing fund, to offset current losses caused by the homestead exemptions  
15 granted exemption permitted by this Article. Unless otherwise provided by law, no  
16 ~~moneys~~ monies allocated within any parish from the balance remaining in its  
17 distribution may be pledged to the payment of the principal or interest of any bonds.  
18 Bonds issued under this Paragraph shall be issued and sold as provided by law, and  
19 shall require approval of the State Bond Commission or its successor prior to  
20 issuance and sale.

21 ~~PART IV. TRANSPORTATION~~

22 ~~§27. Transportation Trust Fund~~

23 ~~Section 27.(A) Creation of fund. Effective January 1, 1990, there shall be~~  
24 ~~established in the state treasury as a special permanent trust fund the Transportation~~  
25 ~~Trust Fund ("the trust fund") in which shall be deposited the "excess revenues" as~~  
26 ~~defined herein which are a portion of the avails received in each year from all taxes~~  
27 ~~levied on gasoline and motor fuels and on special fuels (said avails being referred to~~  
28 ~~as the "revenues") as provided herein. After satisfying pledges respecting that~~  
29 ~~portion of the revenues attributable to the tax rates in effect at the time of such~~

1       pledges for the payment of obligations for bonds or other evidences of indebtedness  
2       on the effective date of this Section, the treasurer shall allocate such portion of the  
3       revenues received in each year as necessary to pay all principal, interest, premium,  
4       if any, and other obligations incident to the issuance, security, and payment in  
5       respect of bonds as authorized in Paragraph (C) hereof. Thereafter, the portion of the  
6       revenues remaining shall be deposited in the Bond Security and Redemption Fund  
7       in the state treasury. After (1) the payment of any obligations for bonds or other  
8       evidences of indebtedness in existence on the effective date of this Section which are  
9       secured by revenues; (2) payments in respect of bonds authorized in Paragraph (C)  
10      hereof; and (3) credit to the Bond Security and Redemption Fund, the treasurer shall  
11      deposit in and credit to the trust fund all of the revenues remaining (the "excess  
12      revenues") from the avails of all taxes levied on gasoline and motor fuels and on  
13      special fuels, as follows: for the fiscal year beginning July 1, 1989, the avails of  
14      twelve cents per gallon of said taxes received on and after January 1, 1990; for the  
15      fiscal year beginning on July 1, 1990, the avails of fourteen cents per gallon of said  
16      taxes; for the fiscal year beginning on July 1, 1991, and thereafter, the avails of all  
17      taxes levied on gasoline and motor fuels and on special fuels. Purchases of gasoline,  
18      diesel fuel, or special fuels which are subject to excise tax under Chapter 7 of  
19      Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950 shall be exempt from  
20      the state sales tax and any sales tax levied by a political subdivision as defined by  
21      Article VI, Section 44(2). All monies appropriated by the Federal Highway  
22      Administration and the Federal Aviation Administration, or their successors, either  
23      reimbursed or paid directly, shall be paid directly or deposited in and credited to the  
24      trust fund.

25               (B)(1) ~~Except as provided for in Subparagraph (2) of this Paragraph, the~~  
26      monies in the trust fund shall be appropriated or dedicated solely and exclusively for  
27      the costs for and associated with construction and maintenance of the roads and  
28      bridges of the state and federal highway systems, the Statewide Flood-Control  
29      Program or its successor, ports, airports, transit, and the Parish Transportation Fund

1       or its successor and for the payment of all principal, interest, premium, if any, and  
2       other obligations incident to the issuance, security, and payment in respect of bonds  
3       or other obligations payable from the trust fund as authorized in Paragraph (D) of  
4       this Section. Unless pledged to the repayment of bonds authorized in Paragraphs (C)  
5       or (D) of this Section, the monies in the trust fund allocated to ports, airports, flood  
6       control, parish transportation, and state highway construction shall be appropriated  
7       annually by the legislature only pursuant to programs established by law which  
8       establish a system of priorities for the expenditure of such monies, except that the  
9       Transportation Infrastructure Model for Economic Development, which shall include  
10      only those projects enumerated in House Bill 17 of the 1989 First Extraordinary  
11      Session of the Legislature and US Highway 61 from Thompson Creek to the  
12      Mississippi Line, in lieu of "US 61-Bains to Mississippi Line", and US Highway 165  
13      from I-10 to Alexandria to Monroe to Bastrop and thence on US Highway 425 from  
14      Bastrop to the Arkansas Line, in lieu of "US 165-I-10 Alexandria-Monroe-Bastrop-  
15      Arkansas Line" and LA 15-Natchez, Mississippi to Chase in lieu of "LA 15-Natchez,  
16      Mississippi to Monroe", shall be funded as provided by law. The state-generated tax  
17      monies appropriated for ports, Parish Transportation Fund, or its successor, and the  
18      Statewide Flood-Control Program, or its successor shall not exceed twenty percent  
19      annually of the state-generated tax revenues in the trust fund; provided, however, that  
20      no less than the avails of one cent of the tax on gasoline and special fuels shall be  
21      appropriated each year to the Parish Transportation Fund, or its successor. The  
22      annual appropriation for airports shall be a sum equal to, but not greater than, the  
23      annual estimated revenue to be derived from the state taxes to be collected and  
24      received on aviation fuel. Unencumbered and unexpended balances at the end of  
25      each fiscal year shall remain in the trust fund. The earnings realized in each fiscal  
26      year on the investment of monies in the trust fund shall be deposited in and credited  
27      to the trust fund.

28               (2) There is hereby established in the Transportation Trust Fund a special  
29      subfund to be known as the "Construction Subfund", hereinafter referred to as "the

1        ~~subfund", in which shall be deposited the avails of any new taxes that become~~  
 2        ~~effective and are levied on gasoline, motor fuels, or special fuels on or after July 1,~~  
 3        ~~2017. The monies in the subfund shall be appropriated and dedicated solely for the~~  
 4        ~~direct costs associated with actual project delivery, construction, and maintenance~~  
 5        ~~of transportation and capital transit infrastructure projects of the state and local~~  
 6        ~~government. The monies in the subfund that are appropriated by the legislature to~~  
 7        ~~the Department of Transportation and Development, or its successor, shall not be~~  
 8        ~~utilized by the department for the payment of employee wages and related benefits~~  
 9        ~~or employee retirement benefits.~~

10        ~~(C) The State Bond Commission or its successor, may issue and sell bonds,~~  
 11        ~~notes, or other obligations ("Bonds") secured by a pledge of a portion of the revenues~~  
 12        ~~not to exceed the avails of four cents per gallon of the taxes on gasoline and motor~~  
 13        ~~fuels and on special fuels received by the state treasurer. Bonds so issued may also~~  
 14        ~~be secured by a pledge of all or a portion of excess revenues as additional security~~  
 15        ~~therefor, and if so pledged any portion thereof needed to pay principal, interest, or~~  
 16        ~~premium, if any, and other obligations incident to the issuance, security, and~~  
 17        ~~payment in respect to Bonds may be expended by the treasurer without the need for~~  
 18        ~~legislative appropriation. The Bonds may be issued in the manner set forth in this~~  
 19        ~~Section to provide for the costs for and associated with construction and maintenance~~  
 20        ~~of the roads and bridges of the state and federal highway systems, Statewide~~  
 21        ~~Flood-Control Program, ports, airports, and for any other purpose for which monies~~  
 22        ~~in the trust fund may be expended as provided by law. Such Bonds shall not be~~  
 23        ~~considered to be debt under Article VII, Section 6, unless the provisions of Article~~  
 24        ~~VII, Section 6, relative to incurring debt by the state are met, in which case the full~~  
 25        ~~faith and credit of the state may also be pledged in addition to the revenues received~~  
 26        ~~by the treasurer.~~

27        ~~(D) The State Bond Commission or its successor may also issue and sell~~  
 28        ~~bonds, notes, or other obligations secured by a pledge of the excess revenues~~  
 29        ~~deposited in the trust fund, which shall otherwise be issued in the manner and for the~~

1 purposes provided for in this Section, and if so pledged any portion thereof needed  
2 to pay principal, interest, or premium, if any, and other obligations incident to the  
3 issuance, security, and payment in respect thereof may be expended by the treasurer  
4 without the need for legislative appropriation.

5 (E) Bonds, notes, or other obligations issued pursuant to the provisions of  
6 Paragraphs (C) or (D) above may be issued in the manner provided by resolution of  
7 the State Bond Commission or its successor under the authority of said Paragraphs  
8 without compliance with any other requirement of this constitution or law. To that  
9 end, said Paragraphs (C) and (D) hereof shall be deemed self-operative.

10 ~~PART V.~~ PART IV. UNCLAIMED PROPERTY

11 ~~§28.~~ §43. Louisiana Unclaimed Property Permanent Trust Fund

12 ~~Section 28.~~ Section 43.(A) Creation of Fund. (1) ~~Effective July 1, 2021, there~~  
13 There shall be established in the state treasury as a special permanent trust fund, the  
14 Louisiana Unclaimed Property Permanent Trust Fund, referred to in this Section as  
15 the "UCP Permanent Trust Fund". No appropriation shall be made from the UCP  
16 Permanent Trust Fund.

17 (2) The purpose of the UCP Permanent Trust Fund is to ensure a source of  
18 payment for claims made by owners of unclaimed property. After allocation of  
19 money to the Bond Security and Redemption Fund as provided in Article VII,  
20 ~~Section 9(B)~~ 13(B) of this Constitution, after the payment of all administrative fees,  
21 costs, and expenses as provided by law, and after the deposit of monies into the  
22 Unclaimed Property Leverage Fund, the treasurer shall annually deposit in and credit  
23 to the UCP Permanent Trust Fund the net amount of all monies received as a result  
24 of the Uniform Unclaimed Property Act of 1997 or its successor.

25 (3) Realized capital gains, dividend income, and interest income, earned on  
26 the investments in the UCP Permanent Trust Fund, net of trust fund investment and  
27 administrative expenses, shall be deposited into the state general fund.

28 (4) All monies shall be credited to the fund as provided in Subparagraph (2)  
29 of this Paragraph until the balance in the UCP Permanent Trust Fund equals the

1 amount of the state's potential liability to unclaimed property claimants as reported  
2 in the previous fiscal year pursuant to Paragraph (C) of this Section. All money  
3 received above the state's potential liability to unclaimed property claimants as  
4 reported by the state treasurer shall be deposited into the state general fund.

5 (B) Investment and Administration. The money credited to the UCP  
6 Permanent Trust Fund pursuant to Paragraph (A) of this Section shall be permanently  
7 credited to the UCP Permanent Trust Fund and shall be invested by the treasurer.  
8 Notwithstanding any provision of this constitution to the contrary, a portion of  
9 money in the UCP Permanent Trust Fund, not to exceed fifty percent of the money  
10 in the UCP Permanent Trust Fund, may be invested in equities. The legislature shall  
11 establish by law procedures for the investment of such monies. The treasurer may  
12 contract, subject to the approval of the State Bond Commission, for the management  
13 of such investments. Investment earnings shall be available for appropriation to pay  
14 expenses incurred in the investment and management of the UCP Permanent Trust  
15 Fund.

16 (C) Reports; Allocation. (1) Not less than sixty days prior to the beginning  
17 of each regular session of the legislature, the state treasurer shall submit to the  
18 legislature and the governor a report of the following:

19 (a) The balance of the UCP Permanent Trust Fund as of the close of the prior  
20 fiscal year.

21 (b) The state's potential liability to unclaimed property claimants as of the  
22 close of the prior fiscal year.

23 ~~(2) Notwithstanding the provisions of Subparagraph (1) of this Paragraph,~~  
24 ~~not less than sixty days prior to the beginning of the 2022 Regular Session of the~~  
25 ~~legislature, the state treasurer shall submit to the legislature and the governor a report~~  
26 ~~of the following:~~

27 ~~(a) The balance of the UCP Permanent Trust Fund as of January 1, 2022.~~

28 ~~(b) The state's potential liability to unclaimed property claimants as of the~~  
29 ~~close of the prior fiscal year.~~

1           ~~(3)~~ (2) If unclaimed property claims exceed receipts, the state treasurer shall  
 2           certify the amount needed to pay received claims and shall allocate sufficient funds  
 3           from the UCP Permanent Trust Fund to pay that amount. The state treasurer shall  
 4           also immediately notify the legislature and governor of the amount transferred from  
 5           the UCP Permanent Trust Fund and amount remaining in the UCP Permanent Trust  
 6           Fund.

7           (D) Private Property. Property received by the state pursuant to the Uniform  
 8           Unclaimed Property Act of 1997 or its successor and deposited into the UCP  
 9           Permanent Trust Fund is private property held in trust until a claim is made for it by  
 10          the owner.

11          Section 2. Notwithstanding any provision of this Act to the contrary, for the  
 12          remainder of Fiscal Year 2026-2027, in addition to the revenues dedicated by Art. VII,  
 13          Section 15(A)(1) and (3) through (5) of this constitution as provided in this Act, any  
 14          revenues received in Fiscal Year 2026-2027 by the state after the effective date of this  
 15          Section in excess of nine hundred fifty million dollars as a result of the production of or  
 16          exploration for minerals, hereinafter referred to as mineral revenues, including severance  
 17          taxes, royalty payments, bonus payments, or rentals, and excluding such revenues designated  
 18          as nonrecurring pursuant to Article VII, Section 14(B) of the constitution as provided in this  
 19          Act, any such revenues received by the state as a result of grants or donations when the terms  
 20          or conditions thereof require otherwise, and revenues derived from any tax on the  
 21          transportation of minerals, shall be deposited into the Budget Stabilization Fund after the  
 22          following allocations of the mineral revenues have been made:

23           (A) To the Bond Security and Redemption Fund as provided by Article VII, Section  
 24           13(B) of this constitution, as provided in this Act.

25           (B) To the political subdivisions as provided in Article VII, Sections 8 (B) and (C)  
 26           of this constitution, as provided in this Act.

27           (C) To the Louisiana Wildlife and Fisheries Conservation Fund and the Louisiana  
 28           Education Quality Support Fund, as provided by law.

1 Section 3. Notwithstanding any provision of law to the contrary, after the effective  
2 date of this Act and unless or until directed otherwise by law, the treasurer shall deposit into  
3 the state general fund any monies that would have been deposited in or credited to the  
4 Mineral Revenue Audit and Settlement Fund.

5 Section 4.(A) Notwithstanding any provision of this Act to the contrary, the  
6 Government Growth Limit for the 2027-2028 Fiscal Year shall equal the base, plus the  
7 product of such amount and three percent. For the purposes of this Section, "the base" shall  
8 mean the total of appropriations for recurring expenses from the State General Fund (Direct)  
9 means of finance for the last full fiscal year immediately prior to calculation of the limit;  
10 however, the base shall not include appropriations or allocations from any of the following:

11 (1) Any funds from the Budget Stabilization Fund incorporated into the official  
12 forecast for the base year.

13 (2) Any funds appropriated as a result of a means of finance substitution resulting  
14 in an increase in the State General Fund (Direct) means of finance to compensate for a  
15 decrease in any of the following: federal funding, funds transferred from another state entity,  
16 self-generated collections, or statutorily or constitutionally dedicated funds.

17 (3) Any funds appropriated or allocated that are excluded from the analysis of  
18 appropriation totals in relation to the expenditure limit.

19 (B) The commissioner of administration shall cause the limit for Fiscal Year 2027-  
20 2028 to be calculated pursuant to the provisions of this Section and shall submit such limit  
21 to the Joint Legislative Committee on the Budget no later than January 31, 2027.

22 Section 5. Notwithstanding any provision of this Act to the contrary, for the  
23 remainder of Fiscal Year 2026-2027, the treasurer shall allocate severance tax to the  
24 governing authority of the parish in which severance or production occurs in accordance  
25 with the provisions of law in effect on July 1, 2026.

26 Section 6. Be it further resolved that this proposed amendment shall be submitted  
27 to the electors of the state of Louisiana at the statewide election to be held on November 3,  
28 2026.



Present constitution (Art. VII, §2.1) provides requirements for enactment of new fees or civil fines or increases in existing fees or civil fines imposed by the state or any board, department, or agency thereof. Proposed constitutional amendment redesignates present constitution as Art. VII, §3. Further restricts application of such requirements to the state or any board, department, or agency of the executive branch of the state. Present constitution additionally provides an exception for any department that is constitutionally created and headed by an officer who is elected by the electorate of the state.

Present constitution (Art. VII, §2.2) establishes limitations on the state's authority to levy sales and use taxes on food for home consumption (as defined by law); natural gas, electricity, and water sold directly to the consumer for residential use; and prescription drugs. Defines the term "sold directly to the consumer for residential use" for the purposes of present constitution. Proposed constitutional amendment redesignates present constitution as Art. VII, §4. Present constitution limits the state's authority to tax food for home consumption to the definition of that term in law on Jan. 1, 2003. Proposed constitutional amendment changes this date to Jan. 1, 2027. Proposed constitutional amendment further requires the sales and use tax levied by a political subdivision to apply to any sale at retail, use, lease, rental, consumption, or storage as authorized by or required by law. Additionally authorizes local taxing authorities to amend their ordinances relative to sales and use taxes to conform any existing levy to the authority granted to those taxing authorities pursuant to applicable law.

Present constitution (Art. VII, §2.3) prohibits new taxes or fees upon the sale or transfer of immovable property after Nov. 30, 2011. Proposed constitutional amendment redesignates present constitution as Art. VII, §5. Moves present constitution (Art. VII, §4) prohibition on the levy of severance, income, inheritance, or motor fuel taxes by a political subdivision to proposed constitutional amendment (Art. VII, §5). Otherwise retains said prohibition. Further prohibits the enactment on and after Jan. 1, 2027, of any new sales and use tax exemption, exclusion, credit, rebate, or refund unless it is applicable to both the state and political subdivisions.

Present constitution (Art. VII, §3) requires the legislature to prohibit the issuance of process to restrain the collection of any tax and for complete and adequate remedy for the prompt recovery of an illegal tax paid by a taxpayer. Proposed constitutional amendment redesignates present constitution as Art. VII, §6. Present constitution requires all political subdivisions within each parish which levy a sales and use tax to agree on a single collector or a central collection commission on or before July 1, 1992. Proposed constitutional amendment repeals present constitution. Present constitution requires sales and use taxes levied by political subdivisions to be collected by a single collector for each parish. Proposed constitutional amendment additionally authorizes such collection by a central collection commission established prior to July 1, 1992, that is still in effect. Present constitution requires the legislature to provide by general law for collection of political subdivision sales and use taxes by a central collection commission in those parishes where a single collector or a central collection commission has not been established by July 1, 1992. Further requires prompt remittance to political subdivisions of funds collected by a single collector or other centralized collection arrangement. Proposed constitutional amendment further provides that taxes collected on behalf of a taxing authority by any collector are held in trust and are the property of the taxing authority for which they are collected. Further prohibits present constitution and proposed constitutional amendment from impeding the operations or funding of the Uniform Local Sales Tax Board and restricts the legislature's authority to change the membership or authority of such board.

## INCOME TAXES

Present constitution (Art. VII, §4) authorizes levy of equal and uniform taxes on net incomes and establishes a maximum state rate of 4 and 3/4 percent. Proposed constitutional amendment redesignates present constitution as Art. VII, §7. Present constitution authorizes federal income taxes paid as an allowed deductible in the computation of state income taxes

for the same period. Proposed constitutional amendment repeals present constitution. Proposed constitutional amendment further provides that for tax years beginning after Dec. 31, 2026, a person 65 years of age or older is entitled to an additional standard deduction equal to the amount applicable for a single individual provided by law (R.S. 47:294).

### SEVERANCE TAXES

Present constitution (Art. VII, §4) authorizes the levy of taxes by the state on natural resources severed from the soil or water. Proposed constitutional amendment redesignates the severance tax provisions as Art. VII, §8 and otherwise retains this authorization. Present constitution establishes specific authorizations, requirements, and prohibitions regarding the levy of severance taxes by the state. Further provides that the presence of oil or gas or the production thereof may be included in the methodology to determine the fair market value of an oil or gas well for ad valorem taxes. Proposed constitutional amendment retains present constitution but moves it to proposed constitutional amendment §32.

Present constitution further requires remittal of certain portions of sulphur severance, lignite severance, timber severance, and other natural resources (other than sulphur, lignite, or timber) to the governing authority of the parish in which severance or production occurs. Establishes specific allocations of severance taxes (and monetary caps on such allocations) that are to be remitted to the governing authority of the parish in which severance or production occurs, as follows:

- (1) 1/3 of the sulphur severance tax, not to exceed \$100,000.
- (2) 1/3 of the lignite severance tax, not to exceed \$100,000.
- (3) 1/5 of the severance tax on all natural resources other than sulphur, lignite, or timber, not to exceed \$850,000; however, this cap is increased each year since 2008, by an amount equal to the average annual increase in the Consumer Price Index for all urban consumers.
- (4) 3/4 of the timber severance, without cap.

Present constitution additionally provides for revised distribution of such severance taxes, beginning with the first official forecast that shows severance tax revenues from natural resources other than sulphur, lignite, or timber exceed the actual severance tax revenues from such resources collected in FY 2008-2009. Proposed constitutional amendment repeals these allocations and caps and the revised distribution schedule and establishes the allocation as follows:

- (1) 1/3 of the sulphur severance tax.
- (2) 1/3 of the lignite severance tax.
- (3) 1/2 of the brine severance tax.
- (4) 1/5 of the severance tax on all natural resources other than sulphur, lignite, or timber.
- (5) 3/4 of the timber severance tax.

Further authorizes the legislature, by law, to do any of the following:

- (1) Increase or decrease the proportion of tax avails to be remitted for any of the severance taxes allocated in proposed constitutional amendment.
- (2) Establish an annual maximum that may be remitted for any of the severance taxes.

Present constitution dedicates 1/10 of the royalties from mineral leases on state-owned land and lake, river beds, and other water bottoms belonging to the state to the governing authority of the parish in which severance or production occurs. Further authorizes the governing authority to fund such royalties into general obligation bonds.

Proposed constitutional amendment (Section 5 of this Act) additionally requires the state treasurer to allocate severance taxes to political subdivisions for the remainder of Fiscal Year 2026-2027 in accordance with law in effect on July 1, 2026.

### **CIGARETTE TAX**

Present constitution (Art. VII, §4.1) establishes a minimum rate for taxes levied on cigarettes. Proposed constitutional amendment repeals present constitution.

### **MOTOR VEHICLE LICENSE TAX**

Present constitution (Art. VII, §5) prohibits parishes and municipalities from levying a license fee on motor vehicles. Authorizes the imposition of an annual license fee by the state on automobiles for private use and establishes requirements and restrictions relative to such fee. Further dedicates revenues from such fee, after payment of other obligations, to the Transportation Trust Fund. Proposed constitutional amendment redesignates present constitution as Art. VII, §9.

### **BONDS**

Present constitution (Art. VII, §6) limits the power of the state to issue bonds, except in certain circumstances. Provides for the pledge of the full faith and credit of the state to the repayment of its bonds. Requires a 2/3 vote of the legislature to propose a statewide referendum to authorize incurrence of debt for any purpose for which the legislature is not authorized to incur debt by present constitution. Provides for limitations and exceptions. Proposed constitutional amendment redesignates present constitution as Art. VII, §10.

Present constitution (Art. VII, §7) establishes the Interim Emergency Board to make appropriations from the state general fund or borrow on the full faith and credit of the state in certain circumstances. Provides for the composition and powers of the Board including limits on its authority. Proposed constitutional amendment redesignates present constitution as Art. VII, §11.

Present constitution (Art. VII, §8) establishes the State Bond Commission and authorizes provision for its membership and authority by law. Requires prior written approval of the Commission before any bond or other obligation can be issued or sold, directly or indirectly, by the state. Further establishes requirements for issuing and challenging the validity of such bonds. Proposed constitutional amendment redesignates present constitution as Art. VII, §12.

### **STATE MONIES**

Present constitution (Art. VII, §9) requires all money received by the state or any state board, agency, or commission to be deposited immediately upon receipt into the state treasury. Provides exceptions for certain specific classes of revenue. Establishes the Bond Security and Redemption Fund and, with certain exceptions, requires all state money deposited in the treasury to be credited to such fund. Proposed constitutional amendment redesignates present constitution as Art. VII, §13.

Present constitution (Art. VII, §10) establishes the Revenue Estimating Conference and provides for its composition and powers. Requires the Conference to adopt an official forecast of revenues to be received by the state general fund and dedicated funds and to revise such estimate as necessary. Further requires revenues in such forecast to be designated as either recurring or nonrecurring. Proposed constitutional amendment redesignates present constitution as Art. VII, §14.

## (a) Expenditure Limit

Present constitution (Art. VII, §10) requires the legislature to provide for the determination of an expenditure limit for each fiscal year. Caps annual growth of the limit at the average annual percentage rate of change of personal income for La. as defined and reported by the U.S. Dept. of Commerce for the three calendar years prior to the fiscal year for which the limit is calculated. Authorizes the legislature to change the limit in any fiscal year by a favorable vote of two-thirds of the elected members of each house. Requires any change in the expenditure limit to be approved by passage of a specific legislative instrument which clearly states the intent to change the limit. Further establishes an exception to the expenditure limit for funds allocated by present constitution (Art. VII, §4).

## (b) Government Growth Limit

Proposed constitutional amendment establishes the Government Growth Limit (growth limit) for Fiscal Year 2027-2028 and for each fiscal year thereafter. Except in certain limited circumstances provided in proposed constitutional amendment, prohibits spending of recurring revenues from the State General Fund (Direct) means of finance above such limit. Requires the Revenue Estimating Conference to adopt a growth limit no later than the first quarter of the calendar year for the ensuing fiscal year. Further requires the legislature to provide by law for a procedure to calculate such limit.

Proposed constitutional amendment restricts appropriation of recurring revenue amounts from State General Fund (Direct) means of finance recognized in the official forecast above the growth limit and below the expenditure limit to nonrecurring expenses. Authorizes the legislature to provide by law for exceptions to this restriction. For the purposes of proposed constitutional amendment, the term "nonrecurring expense" means an expense that is not of a continuing or recurring character and that in the normal course of administration is not expected to be necessary in approximately the same amounts each year.

Further authorizes the legislature to change a growth limit by a favorable vote of two-thirds of the elected members of each house if each of the growth factors for any of the three fiscal years immediately preceding the year to be changed was two and one-half percent or less. Requires any change to the limit be approved by passage of a specific legislative instrument which clearly states the intent to change the limit.

Proposed constitutional amendment exempts certain severance and royalty payments made pursuant to present constitution (Art. VII, §4(D) and (E)) from the provisions of present constitution and proposed constitutional amendment.

Proposed constitutional amendment (Section 4 of this Act) provides for calculation and reporting of the initial growth limit to the Joint Legislative Committee on the Budget.

## (c) Appropriations

Present constitution (Art. VII, §10) requires an appropriation made in accordance with law to withdraw money from the state treasury. With specific exception for certain severance and royalty payments, prohibits appropriations from the state general fund and dedicated funds from exceeding the expenditure limit for the fiscal year.

Present constitution (Art. VII, §10) restricts appropriation or allocation of any money designated in the official forecast as nonrecurring to six specific purposes:

- (1) Retiring or defeasance of bonds.
- (2) Providing payments against the unfunded accrued liability of public retirement systems. Requires at least 25% of nonrecurring monies to be appropriated to the state retirement systems for application to their oldest debt.

- (3) Funding for capital outlay projects in the comprehensive state capital budget.
- (4) For allocation or appropriation to the Budget Stabilization Fund.
- (5) For allocation or appropriation to the Coastal Protection and Restoration Fund.
- (6) For new highway construction for which federal matching funds are available.

Proposed constitutional amendment, with one change noted below, retains present constitution. Present constitution (Art. VII, §10.3), as will be discussed later, places a cap on the total amount of deposits that may be made into the Budget Stabilization Fund. Proposed constitutional amendment authorizes deposits of nonrecurring monies into the Fund unless the deposit would cause the Fund's balance to exceed its constitutional cap.

#### (d) Supplemental Pay

Present constitution (Art. VII, §10) requires the legislature to provide by law for payment by the state of supplements to the salaries of full-time local law enforcement and fire protection officers. Prohibits reduction of such payments. Requires the legislature to appropriate funds sufficient to fully fund the cost of such supplements. Authorizes the governor to reduce such appropriation in certain circumstances using means provided in the Act containing the appropriation.

#### (e) Budgets and Deficits

Present constitution (Art. VII, §10) prohibits appropriations from the state general fund and dedicated funds for any fiscal year (except for specific royalty and severance payments) from exceeding the official forecast in effect at the time the appropriations are made. Proposed constitutional amendment additionally requires appropriations of recurring revenue from the state general fund and dedicated funds to comply with the provisions of the Government Growth Limit.

Present constitution (Art. VII, §10) requires the legislature to establish a procedure to determine if appropriations will exceed the official forecast and a method for adjusting appropriations in order to eliminate a projected deficit. Once enacted, prohibits change to such procedures except by specific legislative instrument which receives a favorable vote of 2/3 of the legislature. Authorizes adjustments to constitutionally protected or mandated allocations or appropriations (and transfer of monies associated with such adjustments) in certain circumstances. Further grants authority to remediate projected deficits. Requires the governor to call a special session if necessary adjustments are not made to appropriations to eliminate a projected deficit within 30 days of its recognition.

Present constitution (Art. VII, §10) exempts certain funds and allocations from deficit avoidance procedures.

Present constitution (Art. VII, §10) requires elimination of a year-end deficit no later than the end of the next fiscal year. Further requires the legislature to have published a regular statement of receipts and expenditures of all state money at least annually. Prohibits appropriation except for a public purpose.

Present constitution defines "state general fund and dedicated funds" for the purposes of Article VII.

### **BUDGET STABILIZATION FUND**

Present constitution (Art. VII, §10.3) establishes the Budget Stabilization Fund and provides for the deposit and uses of monies in the fund. Proposed constitutional amendment redesignates present constitution as Art. VII, §15 and retains authorized uses of monies in

the fund. With respect to deposits into the fund, present constitution requires the following, with one exception:

- (1) All money available for appropriation from the state general fund and dedicated funds in excess of the expenditure limit.
- (2) 25% of any money designated in the official forecast as nonrecurring.
- (3) Any money appropriated to the fund by the legislature.
- (4) All remaining revenues received in each fiscal year by the state in excess of \$950 M as a result of the production of or exploration for minerals after certain required allocations. Further defines minerals for the purposes of present constitution. Authorizes the threshold amount to be increased under certain circumstances.
- (5) An amount equivalent to the money received by the state from the federal government for the reimbursement of costs associated with a federally declared disaster, not to exceed certain limits.

With respect to the deposit of mineral revenues for the remainder of the fiscal year in which proposed constitutional amendment is ratified (Fiscal Year 2026-2027), proposed constitutional amendment (Section 2 of this Act) retains present constitutional requirements. Beginning Fiscal Year 2027-2028, proposed constitutional amendment repeals the requirement to deposit mineral revenues into the fund. Otherwise retains present constitution.

Present constitution prohibits use of monies in the fund unless certain conditions are met. Further requires monies in the fund to be invested as provided by law and earnings realized each fiscal year on such investment to be deposited to the credit of the fund. Requires unexpended and unencumbered monies in the fund at the end of the fiscal year remain in the fund. Additionally in any fiscal year, prohibits use of more than 1/3 of the fund balance as of the beginning of the current fiscal year.

Present constitution prohibits appropriation or deposit to the fund if it will cause the balance in the fund to exceed four percent of total state revenue receipts for the previous fiscal year. Proposed constitutional amendment increases this cap to seven and one-half of one percent of total state revenue receipts for the previous fiscal year.

### **TRANSPORTATION TRUST FUND**

Present constitution (Art. VII, §27) establishes the Transportation Trust Fund and provides for deposit and use of monies in the fund. Requires deposit of remaining avails received each year from all taxes levied on gasoline and motor fuels and on special fuels after payment of certain bonded indebtedness. Requires monies in the fund to be used solely and exclusively for the costs associated with construction and maintenance of the roads and bridges of the state and federal highway systems, the Statewide Flood-Control Program or its successor, ports, airports, transit, and the Parish Transportation Fund and for the payment of any obligations incident to the issuance, security, and payment of bonds or other obligations payable from the trust. Authorizes the issuance of bonds secured by a pledge of a portion of the revenues deposited into the fund, not to exceed the avails of four cents per gallon. Provides requirements and restrictions on the issuance of such bonds. Proposed constitutional amendment redesignates present constitution as Art. VII, §16.

Present constitution establishes a Construction Subfund within the Transportation Trust Fund. Prohibits use of monies in the subfund for the payment of employee wages and related benefits or employee retirement benefits. Present constitution dedicates the avails of any new taxes that become effective and are levied on gasoline, motor fuels, or special fuels on

or after July 1, 2017, to the Subfund. Proposed constitutional amendment repeals this dedication of revenue to the Subfund.

Present constitution requires an annual appropriation for airports to be a sum equal to, but not greater than, the annual estimated revenue to be derived from the state taxes to be collected and received on aviation fuel. Proposed constitutional amendment retains present constitution.

### **COASTAL PROTECTION AND RESTORATION FUND**

Present constitution (Art. VII, §10.2) establishes the Coastal Protection and Restoration Fund in the state treasury. Provides that monies in the fund may be appropriated for purposes consistent with the Coastal Protection Plan developed by the Coastal Protection and Restoration Authority, or its successor. Prohibits appropriation from the fund inconsistent with the purposes of such plan. Requires deposit into the fund of federal monies received each fiscal year received by the state generated from Outer Continental Shelf energy production, including oil and gas activity, solar energy, etc., and eligible as provided by federal law to be used for the purposes of the fund. Requires such federal monies to be used only for the purposes of coastal protection, including conservation, coastal restoration, hurricane protection, and infrastructure directly impacted by coastal wetland losses. Requires monies in the fund to be invested as provided by law and any earnings realized from such investment be deposited into the fund. Authorizes deposit into the account of donations, appropriations, and dedications. Requires any unexpended monies remaining in the fund at the end of the fiscal year be retained in the fund. Proposed constitutional amendment redesignates present constitution as Art. VII, §17.

Present constitution requires the state treasurer to make certain allocations from certain revenues received in each fiscal year by the state as a result of the production of or exploration for minerals from severance taxes, royalty payments, bonus payments, or rentals. Once such allocations are done, present constitution further requires the treasurer to deposit into the Coastal Protection and Restoration Fund from remaining revenues an amount up to \$5 M, provided that the balance of the fund which consists of these mineral revenues shall not exceed an amount provided by law, which can be no less than \$500 M. After such deposit, remaining revenues are deposited according to a threshold schedule; however, the cap on the amount of the fund balance that may be comprised of mineral revenues (described above) applies. Proposed constitutional amendment repeals present constitution. Further authorizes the legislature to provide by law for dedication of revenues to the fund and prohibits any change to such dedication except by law enacted by 2/3 vote of the legislature.

Present constitution exempts federal revenues deposited from Outer Continental Shelf activity from the fund's mineral revenue balance cap. Proposed constitutional amendment repeals present constitution.

Present constitution provides that if the state resecuritized proceeds from the Tobacco Settlement Agreement after July 1, 2006, then 20% in the aggregate of the revenues received as a result of the securitization are to be deposited into the fund. Further provides for use of such monies. Proposed constitutional amendment repeals present constitution.

### **SPECIAL CLASSES OF TRUSTS AND FUNDS**

#### **(a) Permanent Trust Funds**

Proposed constitutional amendment (Art. VII, §18) authorizes the legislature to designate certain funds as "Permanent Trust Funds". Provides that any fund so designated is subject to the following restrictions:

- (1) Except for certain exceptions in proposed constitutional amendment, all funds deposited into a permanent trust fund shall constitute the trust's principal and shall be held in trust permanently and invested by the state treasurer as provided by law.
- (2) Removal of any portion of the principal, except for investment purposes as authorized by law, requires a constitutional amendment.
- (3) Interest and investment earnings from monies held in the trust may be dedicated as provided by law. Once such dedication is enacted, it cannot be changed except by a law enacted by the favorable vote of 2/3 of the elected members of each house of the legislature.
- (4) Unless provided otherwise by the constitution or by law, the provisions of proposed constitutional amendment apply to any subfund, fund, or account created within a permanent trust.
- (5) A fund's status as a permanent trust fund may only be changed by law enacted by the favorable vote of 2/3 of the elected members of each house of the legislature.

Proposed constitutional amendment further designates the La. Education Quality Trust Fund (proposed constitutional amendment Art. VII., §20), the Millennium Trust (proposed constitutional amendment Art. VII, §21), and the La. Unclaimed Property Permanent Trust Fund (proposed constitutional amendment Art. VII, §40) as Permanent Trust Funds. Further authorizes any other trust designated by law to be a permanent trust fund.

#### (b) Program Funds

Proposed constitutional amendment (Art. VII, §19) authorizes the legislature to create and designate funds as program funds by law enacted by the favorable vote of 2/3 of the elected members of each house of the legislature. Further prohibits any change to a program fund except by a law passed by the favorable vote of 2/3 of the elected members of each house of the legislature.

Further designates each of the following existing funds as program funds and authorizes the legislature to designate others by law:

- (1) The Artificial Reef Development Fund.
- (2) The Oil Spill Contingency Fund.
- (3) The Oilfield Site Restoration Fund.
- (4) The La. Fund.
- (5) The Local Revenue Fund.

#### **LA. EDUCATION QUALITY TRUST FUND**

Present constitution (Art. VII, §10.1) establishes the LEQTF. Requires certain portions of monies received by the state from a settlement with the federal government regarding mineral production activity or leasing activity on the Outer Continental Shelf be deposited into the LEQTF and held as part of a permanent trust fund. Further requires deposit into the permanent trust fund of 25% of the interest income earned on investment of monies in the permanent trust fund, 75% of the realized capital gains on permanent trust fund monies, and 25% of dividend income earned on permanent trust fund monies. Prohibits appropriation from the permanent trust fund.

Within the LEQTF, present constitution also establishes the "Support Fund" and requires deposit of 75% of the recurring revenues received pursuant to federal law (43 U.S.C. 1337(g)) which are attributable to mineral production activity or leasing activity. Further requires deposit of the percent remaining of the realized capital gains and interest income and dividend income earned on investment of the permanent trust fund. Proposed constitutional amendment retains present constitution and further provides that the provisions of proposed constitutional amendment relative to Permanent Trusts do not apply to the Support Fund.

Present constitution requires deposits in conformity with allocations described above until the balance in the permanent trust fund reached \$2 B. Thereafter requires all interest earnings and all recurring revenues be credited to the Support Fund.

Requires monies in the permanent trust fund to be invested by the treasurer and authorizes up to 35% to be invested in stock. Authorizes monies in the Support Fund to be available to pay expenses incurred in the investment and management of the permanent trust fund and for educational purposes as provided in present constitution.

Present constitution requires the State Board of Elementary and Secondary Education (BESE) and the Board of Regents to submit annual reports to the legislature regarding proposed programs and budgets for monies in the Support Fund.

Present constitution authorizes appropriation from the Support Fund only for investment and management expenses and for educational purposes. Requires available monies to be appropriated equally between higher education and elementary and secondary education purposes. Requires appropriation of monies for educational purposes be made to the Board of Regents and BESE.

Present constitution prohibits monies appropriated from the Support Fund from displacing, replacing, or supplanting appropriations from the general fund for other educational purposes. With certain exceptions, prohibits appropriation of monies for any fiscal year from the Support Fund for any purpose for which a general fund appropriation was made in the previous year.

Present constitution provides a list of eligible purposes for monies appropriated to the Board of Regents from the Support Fund, including the endowment of chairs for eminent scholars and enhancing the quality of academic, research, or agricultural departments or unites within an institution. Provides a list of eligible purposes for monies appropriated to BESE from the Support Fund, including compensation to professional instructional employees, insuring adequate supply of instructional materials, and funding school remediation programs.

Proposed constitutional amendment retains present constitution.

### **OILFIELD SITE RESTORATION FUND**

Present constitution (Art. VII, §10.6) establishes the Oilfield Site Restoration Fund within the state treasury. Requires deposit of certain revenues into the fund. Further requires monies in the fund be appropriated to the Dept. of Natural Resources (now the Dept. of Energy and Natural Resources) for sole use for the programs and purposes of oilfield site restoration as required by law. Provides that unexpended and unencumbered monies in the fund at the end of the fiscal year remain in the fund. Requires investment of monies in the fund by the treasurer as provided by law. Requires all interest earned on fund monies be deposited into the fund. Requires the treasurer to prepare and submit to the department on a quarterly basis a printed report showing the amount of money in the fund from all sources. Exempts certain severance and royalty payments required by present constitution from the fund.

Proposed constitutional amendment repeals present constitution; however, proposed constitutional amendment additionally designates this fund as a program fund in Art. VII, §19, so it may continue in statute as a special class of protected fund.

### **OIL SPILL CONTINGENCY FUND**

Present constitution (Art. VII, §10.7) establishes the Oil Spill Contingency Fund within the state treasury. Requires deposit of certain revenues into the fund. Further requires monies in the fund be appropriated solely for the programs and purposes of abatement and containment of actual or threatened unauthorized discharges of oil as provided by law and for administrative expenses associated with such programs and purposes. Provides that unexpended and unencumbered monies in the fund at the end of the fiscal year remain in the fund. Requires investment of monies in the fund by the treasurer as provided by law. Requires all interest earned on fund monies be deposited into the fund. Prohibits the balance of the fund from exceeding \$30 M or a balance established by law. Exempts certain severance and royalty payments required by present constitution from the fund.

Proposed constitutional amendment repeals present constitution; however, proposed constitutional amendment additionally designates this fund as a program fund in Art. VII, §19, so it may continue in statute as a special class of protected fund.

### **MILLENNIUM TRUST**

Present constitution (Art. VII, §10.8) establishes the Millennium Trust as a special permanent trust in the state treasury. Requires deposit of certain monies received by the state as a result of settling litigation against certain tobacco product manufacturers. Present constitution establishes three funds within the Millennium Trust: the Health Excellence Fund, the Education Excellence Fund, and the TOPS Fund. Proposed constitutional amendment redesignates present constitution as Art. VII, §21.

Present constitution requires deposit into the Millennium Trust of 75% of the total monies received each year. Present constitution requires that monies deposited into the trust be allocated to the various funds within the trust in accordance with present constitution.

Present constitution provides that the amount of settlement agreement revenues deposited into the Millennium Trust and credited to the respective funds may be increased and the amount of such revenues deposited into the La. Fund may be decreased by a specific legislative instrument which receives a favorable vote of 2/3 of the elected members of each house of the legislature.

Present constitution requires the treasurer to invest monies credited to the Millennium Trust with the same authority and subject to the same restrictions as monies in the LEQTF. Further provides that the portion of monies in the Millennium Trust that may be invested in stock may be increased to no more than 50% by a specific legislative instrument which receives the favorable vote of 2/3 of the elected members of each house of the legislature. Requires the legislature to provide for procedures for the investment of such monies by law. Authorizes the treasurer to contract (with State Bond Commission approval) for the management of such investments and pay costs associated with such contract with an appropriation from the trust. Proposed constitutional amendment retains present constitution.

#### **(a) Health Excellence Fund**

Present constitution requires the treasurer to credit to the Health Excellence Fund 1/3 of all investment earnings on the investment of monies in the trust. Further requires deposit into the Health Excellence Fund of the revenues derived from the 4/20 of one cent per cigarette tax levied pursuant to present law (R.S. 47:841(B)(3)). Further requires the treasurer to report annually to the legislature as to the amount of investment earnings credited to the Health Excellence Fund.

Present constitution limits appropriations from the Health Excellence Fund to an annual amount not to exceed the estimated aggregate annual earnings from interest, dividends, and realized capital gains on investment of the trust credited to the Health Excellence Fund and the amount of proceeds credited to the fund from the cigarette tax avails (R.S. 47:841(B)(3)). Further restricts use of monies from the Health Excellence Fund to certain enumerated purposes, including initiatives to ensure the optimal development of La.'s children through the provision of appropriate health care and initiatives to benefit the citizens of La. with respect to health care. Proposed constitutional amendment retains present constitution.

(b) Education Excellence Fund

Present constitution requires the treasurer to credit to the Education Excellence Fund 1/3 of all investment earnings on the investment of monies in the trust.

Present constitution limits appropriations from the Education Excellence Fund to an annual amount not to exceed the estimated aggregate annual earnings from interest, dividends, and realized capital gains on investment of the trust allocated as provided in present constitution. Limits appropriation to those aggregate investment earnings which were in excess of an inflation factor as determined by the Revenue Estimating Conference. Limits the amount of realized capital gains on investment which could be included in the aggregate earnings available for appropriation from exceeding the aggregate of earnings from interest and dividends for that year.

Present constitution restricts use of monies from the Education Excellence Fund to certain enumerated purposes, including to the La. Educational Television Authority and certain special schools, for independent public schools approved by BESE, and for distribution to each city, parish, and other local school system on a pro rata basis based on a prescribed student population ratio. Further restricts expenditures to pre-kindergarten through twelfth grade instructional enhancement for students. Specifically prohibits expenditures for maintenance or renovation of buildings, capital improvements, and increases in employee salaries. Requires each recipient entity to annually prepare and submit to the state Dept. of Education a plan for expenditure of Education Excellence funds. Prohibits amounts appropriated pursuant to present constitution from displacing, replacing, or supplanting appropriations from the general fund for elementary and secondary education, including implementing the Minimum Foundation Program. Requires the treasurer to maintain a record of the amounts appropriated that remained in the state treasury. Any such amounts, and investment earnings attributable to such amounts remain to the credit of each recipient entity at the close of each fiscal year.

Proposed constitutional amendment retains present constitution.

(c) TOPS Fund

Present constitution requires the treasurer to credit to the TOPS Fund 100% of the settlement agreement proceeds deposited into the Millennium Trust. Present constitution allocates 1/3 of all investment earnings on the investment of trust monies to the TOPS Fund. Further requires the treasurer to report annually to the legislature as to the amount of investment earnings credited to the TOPS Fund.

Present constitution limits appropriations from the TOPS Fund to the amount of annual settlement agreement proceeds credited to the fund and an annual amount not to exceed the estimated aggregate annual earnings from interest, dividends, and realized capital gains on investment of the trust. Further limits appropriation to those aggregate investment earnings which are in excess of an inflation factor as determined by the Revenue Estimating Conference.

Present constitution restricts use of monies from the TOPS Fund to the support of state programs for financial assistance for students attending La. institutions of postsecondary education. Proposed constitutional amendment retains present constitution.

#### **LOUISIANA FUND**

Present constitution (Art. VII, §10.9) establishes the La. Fund in the state treasury. Requires deposit into the fund of all remaining monies received as a result of the settlement agreement after deposits into the Millennium Trust as provided in present constitution. Requires monies in the fund to be invested by the treasurer in the same manner as the state general fund monies and all interest income on the investment of such monies be credited to the fund. Requires unexpended and unencumbered monies in the fund at the end of the fiscal year to remain in the fund.

Present constitution restricts appropriations from the La. Fund to certain enumerated purposes, including initiatives to ensure the optimal development of La.'s children through enhancement of educational opportunities and the provision of appropriate health care and direct healthcare services for tobacco-related illnesses. Further requires each appropriation from the La. Fund to include performance expectations to ensure accountability in the expenditure of such monies.

Proposed constitutional amendment repeals present constitution; however, proposed constitutional amendment additionally designates this fund as a program fund in Art. VII, §19, so it may continue in statute as a special class of protected fund.

#### **ARTIFICIAL REEF DEVELOPMENT FUND**

Present constitution (Art. VII, §10.11) establishes the Artificial Reef Development Fund in the treasury. Requires deposit into the fund grants, donations, and other forms of assistance from private and public sources that were provided to the state for the purpose of siting, designing, constructing, permitting, monitoring, and otherwise managing an artificial reef system. Requires the treasurer to invest monies in the fund in the manner provided by law. Provides that all unexpended and unencumbered monies in the fund at the end of the fiscal year remain in the fund. Further requires deposit into the fund of interest earned on investment of monies in the fund. Requires the treasurer to submit a written report to the department on a quarterly basis showing the amount of money contained in the fund from all sources. Restricts use of monies in the fund to the Dept. of Wildlife and Fisheries, or its successor, for certain enumerated purposes, including salaries of personnel assigned to the Artificial Reef Development Program, creating and managing an artificial reef system, and inshore fisheries habitat enhancement projects.

Proposed constitutional amendment repeals present constitution; however, proposed constitutional amendment additionally designates this fund as a program fund in Art. VII, §19, so it may continue in statute as a special class of protected fund.

#### **CERTAIN SUPPORT AND ASSISTANCE PROGRAMS**

Present constitution (Art. VII, §10.12) authorizes the legislature to provide by law for programs to assist La. farmers and fishermen with support and expansion of their industries. Proposed constitutional amendment repeals present constitution.

#### **HOSPITAL STABILIZATION FORMULA AND FUND**

Present constitution (Art. VII, §10.13) authorizes the legislature to annually adopt a Hospital Stabilization Formula by concurrent resolution and majority vote of the members of each house. Provides for legislative hearings on such resolution and requires the formula, to the maximum extent possible, to enhance the economic viability of La. hospitals and reduce shifting the cost of caring for La.'s needy residents to the state's insured residents.

Present constitution provides requirements and exclusions for the formula. Further provides for termination of any assessment under the formula in certain circumstances.

Present constitution requires the legislature to appropriate an amount necessary to fund the base reimbursement level for hospitals established in the most recent formula, which appropriation may not be from the Hospital Stabilization Fund. Further requires the legislature to appropriate the balance of the Hospital Stabilization Fund solely to fund the reimbursement enhancements as provided in the most recent formula adopted by the legislature. Prohibits the governor and the legislature from reducing any such appropriation except in certain circumstances.

Present constitution establishes the Hospital Stabilization Fund in the state treasury. Requires deposit into the fund of proceeds from the assessment collected pursuant to the Hospital Stabilization Formula. Requires monies in the fund to be invested in the same manner as monies in the state general fund and all interest earned on investment of fund monies to be credited to the fund. Restricts appropriation from the fund to funding the reimbursement enhancements established in the Hospital Stabilization Formula adopted by the legislature for the fiscal year in which the assessment is collected.

Proposed constitutional amendment redesignates present constitution as Art. VII, §22.

#### **LOUISIANA MEDICAL ASSISTANCE TRUST FUND**

Present constitution (Art. VII, §10.14) establishes the Louisiana Medical Assistance Trust Fund within the treasury. Requires the treasurer to deposit into the fund all proceeds from the fees collected by law relative to the fund. Provides for investment of fund monies in the same manner as state general fund monies and for deposit of all interest earned on investment of fund monies. Requires all unexpended and unencumbered monies in the fund at the end of the fiscal year to remain in the fund.

Present constitution authorizes the treasurer to establish a separate account within the fund for each health care provider group in which fees are collected. Requires monies collected from each such group, and the interest earned on those monies, to be deposited into the account created for that provider group. Further requires any monies deposited in the fund from sources not required by law, and any interest earned on such monies, to be deposited into a separate account within the fund known as "the general account".

Present constitution authorizes appropriation from the fund only if the appropriation is eligible for federal financial participation pursuant to federal law (Title XIX of the Social Security Act). Requires the balance of each account to be appropriated for reimbursement services to the provider group which paid the fee; however, monies deposited into the general account may be appropriated for any Medicaid Program expenditure.

Further prohibits monies appropriated from the provider accounts from being used to displace, replace, or supplant appropriations from the state general fund for the Medicaid Program below the amount of state general fund appropriations to the Medicaid Program for Fiscal Year 2013-2014.

Present constitution requires the legislature to appropriate funds necessary to provide for Medicaid Program rates for each provider group which pays fees into the fund. Sets a minimum for such appropriations and authorizes annual adjustment in accordance with certain criteria. Prohibits reduction of such appropriation in the event of a deficit unless certain criteria are met.

Proposed constitutional amendment redesignates present constitution as Art. VII, §23.

**REVENUE STABILIZATION TRUST FUND**

Present constitution (Art. VII, §10.15) establishes the Revenue Stabilization Trust Fund in the treasury. Requires deposit into the fund of certain mineral revenues as required by present constitution (Art. VII, §10.16) and revenues in excess of \$600 M received each fiscal year from corporate franchise and income taxes. Requires investment by the treasurer of fund monies in a manner provided by law. Further requires deposit into the state general fund of all interest or other income from investment of Revenue Stabilization Trust Fund monies. With certain exceptions, authorizes appropriation from the fund only if the balance of the fund at the beginning of the fiscal year exceeds \$5 B (minimum fund balance) and then such appropriation is capped at 10% (allowable percentage) of the fund balance. If appropriation is authorized by these circumstances, present constitution limits the appropriation to capital outlay projects in the comprehensive state capital budget and transportation infrastructure. Present constitution authorizes the legislature to change the minimum fund balance or the allowable percentage by a law enacted by 2/3 of the legislature.

Present constitution further provides that in order to ensure the money in the fund is available for appropriation in an emergency, the legislature may authorize an appropriation from the fund at any time for any purpose only after the consent of 2/3 of the members of each house. Provides that the 2/3 consent may be satisfied upon obtaining written consent in a manner provided by law.

Proposed constitutional amendment repeals present constitution.

**MINERAL REVENUES**

Present constitution (Art. VII, §10.16) establishes an allocation of revenues received by the state each year as a result of the production of or exploration for minerals. Requires deposits into various trusts and funds and distributions to political subdivisions. After all such required deposits and distributions, requires 30% of such remaining revenues in excess of \$660 M and less than \$950 M to be allocated to the La. State Employees' Retirement System and the Teachers' Retirement System of La. for application to the balance of the unfunded accrued liability of such system existing as of June 30, 1988. Requires the remainder of such monies to be deposited into the Revenue Stabilization Trust Fund.

Present constitution further requires any mineral revenues that would have been deposited into the Budget Stabilization Fund but for the present constitution and proposed constitutional amendment caps on the fund balance to be distributed as follows: 30% to the La. State Employees' Retirement System and the Teachers' Retirement System of La. for application to the balance of the unfunded accrued liability of such system existing as of June 30, 1988, and the remainder to be deposited into the Revenue Stabilization Trust Fund.

Present constitution defines "mineral revenues" for the purposes of present constitution to include severance taxes, royalty payments, bonus payments, or rentals, with the following exceptions:

- (1) Revenues designated as nonrecurring pursuant to present constitution (Art. VII, §10).
- (2) Revenues received by the state as a result of grants or donations when the terms or conditions thereof require otherwise.
- (3) Revenues derived from any tax on the transportation of minerals.

Proposed constitutional amendment repeals present constitution.

**CONSERVATION FUND**

Present constitution (Art. VII, §10-A) establishes the La. Wildlife and Fisheries Conservation Fund (Conservation Fund) within the treasury. Requires deposit of the following into the fund:

- (1) All revenue from the types and classes of fees, licenses, permits, royalties, or other revenue paid into the Conservation Fund as provided by law when the fund was created and any increase in the amount charged for such fees, licenses, permits, royalties and other revenue after the effective date of the fund. Authorizes the legislature to enact a law specifically appropriating or dedicating such revenue to another purpose or fund.
- (2) The balance of the pre-existing Conservation Fund on June 30, 1988.
- (3) All funds or revenues that may be donated expressly to the Conservation Fund.

Present constitution requires all monies in the fund to be appropriated to the Dept. of Wildlife and Fisheries or its successor. Restricts use to the programs and purposes of conservation, protection, preservation, management, and replenishment of the state's natural resources and wildlife. Requires all unexpended and unencumbered monies in the fund at the end of the fiscal year to remain in the fund. Requires investment of fund monies by the treasurer in the manner provided by law and deposit of all interest earned on investment of fund monies be deposited into the fund. Requires the treasurer to prepare and submit to the department on a quarterly basis a printed report showing the amount of money contained in the fund from all sources.

Proposed constitutional amendment redesignates present constitution as Art. VII, §24.

**BUDGETS**

Present constitution (Art. VII, §11) establishes requirements for operating and capital outlay budgets. Requires the governor to submit to the legislature a budget estimate for the next fiscal year setting forth all proposed expenditures. Such budgets are required to include recommended appropriations from the state general fund and dedicated funds and cannot exceed the official forecast and expenditure limit for the fiscal year. Must comply with existing requirements (Art. VII, §10 in present constitution, Art. VII, §14 in proposed constitutional amendment) including use of nonrecurring monies and funding state supplemental pay. Proposed constitutional amendment redesignates present constitution as Art. VII, §25. Further requires the executive budget to comply with the provisions of the Government Growth Limit.

**(a) Operating Budget**

Present constitution requires the governor to cause to be submitted a general appropriation bill for proposed ordinary operating expenditures which shall be in conformity with the recommendations for appropriations contained in the budget estimate. Authorizes the governor to submit one or more bills to raise additional revenues with proposals for the use of these revenues.

**(b) Capital Budget**

Present constitution requires the governor to submit to the legislature at each regular session a proposed five-year capital outlay program and request for implementation of the first year of the program. Requires each capital improvement project to be evaluated as provided by law prior to its inclusion in the legislature's adopted comprehensive capital budget. Requires the legislature to provide by law for such evaluation procedures, standards, and criteria. Prohibits change to these procedures except by a separate legislative instrument approved

by a favorable vote of 2/3 of the elected members of each house of the legislature. Provides requirements for projects that are not eligible for funding through the state's Transportation Trust Fund. Provides that capital outlay projects approved by the legislature shall be made a part of the comprehensive state capital budget, which the legislature is required to adopt. Proposed constitutional amendment makes technical and conforming changes.

### REPORTS AND RECORDS

Present constitution (Art. VII, §12) requires reports and records of the collection, expenditure, investment, and use of state money and those relating to state obligations to be matters of public records. Provides exception for returns of taxpayers and matters pertaining to those returns. Proposed constitutional amendment redesignates present constitution as Art. VII, §26.

### INVESTMENT OF STATE FUNDS

Present constitution (Art. VII, §13) requires all money in the custody of the state treasurer which is available for investment to be invested as provided by law. Proposed constitutional amendment redesignates present constitution as Art. VII, §27.

### LOAN, PLEDGE, OR DONATION OF PUBLIC THINGS OF VALUE

Except as otherwise provided in present constitution and proposed constitutional amendment, present constitution (Art. VII, §14) prohibits the funds, credit, property, or things of value of the state or any political subdivision from being loaned, pledged, or donated to or for any person, association, or corporation, public or private. Further prohibits the state and any political subdivision thereof from purchasing the stock of a corporation or association or for any private enterprise unless authorized by the constitution. Proposed constitutional amendment redesignates present constitution as Art. VII, §28.

Present constitution contains certain enumerated exceptions to the prohibition on the loan, pledge, or donation of public things of value.

Present constitution provides that, for a public purpose, the state and its political subdivisions or political corporations may engage in cooperative endeavors with each other, the United States or its agencies, or with any public or private association, corporation, or individual.

Present constitution exempts public funds, credit, property, or things of value loaned, pledged, dedicated, or granted by prior state law or authorized to be loaned, pledged, dedicated, or granted by prior laws and constitution from the prohibition contained in present constitution for the full term as provided by any contract. Authorizes revocation by the legislature in certain circumstances prior to the vesting of any contractual rights.

Present constitution authorizes the donation or exchange of movable surplus property between or among political subdivisions whose functions include public safety.

### RELEASE OF OBLIGATIONS

Present constitution (Art. VII, §15) prohibits the legislature from releasing, extinguishing, or authorizing the release or extinguishment of any indebtedness, liability, or obligation of a corporation or individual to the state, a parish, or a municipality. Authorizes the legislature to provide by law for a system under which claims by the state or a political subdivision may be compromised. Further authorizes the legislature to provide for the release of heirs to confiscated property from taxes due at the date of its reversion to them. Proposed constitutional amendment redesignates present constitution as Art. VII, §29.

**PRESCRIPTION OF TAXES**

Present constitution (Art. VII, §16) establishes a three-year prescriptive period for taxes, except real property taxes, and for licenses. The period runs three years after the 31st day of December in the year in which the taxes are due. Authorizes the legislature to provide by law for interruption of such prescription. Proposed constitutional amendment redesignates present constitution as Art. VII, §30.

**LEGISLATION TO OBTAIN FEDERAL AID**

Present constitution (Art. VII, §17) authorizes the legislature to enact laws to enable the state, its agencies, boards, commissions, and political subdivisions and their agencies to comply with federal laws and regulations in order to secure federal participation in funding capital improvement projects. Proposed constitutional amendment redesignates present constitution as Art. VII, §31.

**AD VALOREM TAXES**

Proposed constitutional amendment (Art. VII, §4) prohibits imposition of an ad valorem taxes on prescription drugs by the state or a political subdivision.

Present constitution (Art. VII, §18) requires property subject to ad valorem taxation to be listed on the assessment rolls at its assessed valuation, which shall be a percentage of its fair market value. Requires the percentage of fair market value to be uniform throughout the state upon the same class of property. Present constitution additionally provides three exceptions for the listing of property on the assessment rolls as a percentage of fair market value:

- (1) Bona fide agricultural, horticultural, marsh, and timber lands, as defined by law, and buildings of historic architectural importance, which are to be assessed at 10% of their use value rather than fair market value. (Art. VII, §18(C))
- (2) For the phase-in of reappraisal values. (Art. VII, §18(F))
- (3) Special assessment levels provided in the constitution. (Art. VII, §18(G))

Proposed constitutional amendment redesignates present constitution as Art. VII, §32.

Present constitution establishes classifications of property subject to ad valorem taxation and the percentage of fair market value applicable to each classification for the purpose of determining assessed valuation as follows:

- (1) Land = 10%.
- (2) Improvements for residential purposes = 10%.
- (3) Electric cooperative properties, excluding land = 15%.
- (4) Public service properties, excluding land = 25%.
- (5) Other property = 15%.

Proposed constitutional amendment adds additional classifications for public service properties, excluding land, owned by a rail road company with a tax rate of 15% of fair market value and business inventory with a tax rate of 15% of fair market value.

Proposed constitutional amendment allows a parish governing authority to elect to reduce the percentage of fair market value applicable to business inventory and authorizes the legislature by law to implement the reduction. Proposed constitutional amendment provides

that once the legislature has implemented a law providing for such reduction, it may only be changed by law enacted with a 2/3 vote of the legislature.

Present constitution requires each assessor to determine the fair market value of all property subject to taxation within his respective parish or district except public service properties which the La. Tax Commission is required to value. Requires each assessor to determine the use value of property that is to be assessed pursuant to such methodology (bona fide agricultural, marsh, and timber lands, etc.) pursuant to present constitution (Art. VII, §18(C)). Requires fair market value and use value to be determined in accordance with criteria established by law which shall apply uniformly throughout the state. Proposed constitutional amendment additionally limits valuation of land based on the presence of certain minerals or timber on such land. Authorizes presence of certain minerals to be a factor in the methodology to determine fair market value of oil or gas wells.

Present constitution provides that assessments are subject to review and provides for the order of review by specific entities. Requires the legislature to establish procedures for such review by law.

Present constitution requires all property subject to taxation to be reappraised and valued in accordance with present constitution at intervals of not more than four years. Provides for the phase-in of reassessed value in certain circumstances. Proposed constitutional amendment makes conforming changes.

Present constitution provides for special assessment levels for certain persons, including but not limited to persons who are 65 years of age or older and persons who are permanently totally disabled. Provides requirements and restrictions for receiving such special assessment level and for the term of such special assessment level. Provides for reassessment of the property when certain conditions are met. Proposed constitutional amendment retains present constitution.

## **STATE PROPERTY TAXATION**

Present constitution (Art. VII, §19) establishes a maximum rate for state tax on property for any purpose of 5.75 mills on the dollar of assess valuation. Proposed constitutional amendment redesignates present constitution as Art. VII, §33.

## **HOMESTEAD EXEMPTION**

### (a) Homeowners

Present constitution (Art. VII, §20) defines a bona fide homestead for the purposes of present constitution and exempts the first \$7,500 of assessed value of such homesteads from ad valorem taxation. Applies the homestead exemption even if the land is classified and assessed at use value pursuant to present constitution. Proposed constitutional amendment redesignates present constitution as Art. VII, §34.

Present constitution authorizes the homestead exemption to apply to surviving spouses, former spouses, property owned by a trust, property subject to usufruct, and to trusts in certain circumstances if certain conditions are met. Further prohibits application of the homestead exemption on bond for deed property, with certain exceptions. Prohibits extension or application of more than one homestead exemption to any person. Prohibits extension of the exemption to municipal taxes except: (a) in Orleans Parish to certain taxes; and (b) to any municipal taxes levied for school purposes. Provides for application of the homestead exemption to property damaged or destroyed during a disaster or emergency if certain conditions are met.

### (b) Residential Leases

Present constitution authorizes the legislature to provide for tax relief to residential lessees in the form of credits or rebates in order to provide equitable tax relief similar to that granted to homeowners through homestead exemptions.

#### **OTHER AD VALOREM TAX EXEMPTIONS**

Present constitution (Art. VII, §21) exempts certain property from ad valorem taxation. Present constitution contains an exclusive list of such property, including but not limited to: public lands, property leased to certain nonprofit corporations or associations for use solely as housing for homeless persons, the legal reserve of domestic life insurance companies, boats using gasoline as motor fuel, artwork listed as a consignment article by an art dealer, and certain additional portions of assessed homestead value for persons meeting certain criteria. Proposed constitutional amendment retains present constitution.

#### **PROHIBITIONS ON CERTAIN MANDATES**

Proposed constitutional amendment (Art. VII, §36) prohibits the legislature from enacting any law mandating a taxing authority to exempt business inventory from ad valorem tax. Defines "business inventory" for the purposes of proposed constitutional amendment as the aggregate of those items of tangible personal property that are held for sale in the ordinary course of business, are currently in the process of production for subsequent sale, or are to physically become a part of the production of such goods.

#### **BUSINESS INVENTORY EXEMPTION PAYMENT**

Proposed constitutional amendment (Art. VII, §37) authorizes a one-time payment to each parish that elects to exempt, in accordance with law, business inventory from ad valorem tax. Provides that such payment shall be made from the Revenue Stabilization Fund. Requires the payment to be disbursed to the tax collector of the parish and requires the tax collector to then distribute the monies pro rata to each taxing authority that levies an ad valorem tax within the parish. Provides that the amount of the payment pursuant to proposed constitutional amendment shall be as provided by law and certified by the Dept. of Revenue. Further requires that, notwithstanding any provision of the constitution to the contrary, monies are to be disbursed by the treasurer to the collector within 30 days of receipt of a certification from the secretary of the Dept. of Revenue that the parish has irrevocably elected to exempt business inventory from ad valorem tax.

#### **NO IMPAIRMENT**

Prior constitution (Art. VII, §22) prohibited application of provisions of the constitution relative to ad valorem taxes and exemptions thereon (Part II of Art. VII of the constitution of La.) in a manner that would either:

- (1) Invalidate taxes authorized and imposed prior to the effective date of this constitution.
- (2) Impair the obligations, validity, or security of any bonds or other debt obligations authorized prior to the effective date of present constitution.

Proposed constitutional amendment (Art. VII, §38) prohibits anything in the constitution or in law from being applied in a manner that would either:

- (1) Invalidate taxes authorized and imposed prior to the effective date of this constitution.
- (2) Impair the obligations, validity, or security of any bonds or other debt obligations authorized prior to the effective date of present constitution or any amendment to Art. VII.

**ADJUSTMENT OF AD VALOREM TAX MILLAGES**

Present constitution (Art. VII, §23) authorizes adjustment to ad valorem tax millages in certain circumstances to counteract the impact of enactment of the homestead exemption and the uniform ad valorem tax on classes of property. Proposed constitutional amendment redesignates present constitution as Art. VII, §39.

**TAX ASSESSORS**

Present constitution (Art. VII, §24) requires a tax assessor to be elected in each parish. Provides for a four-year term of office and for his election, duties, and compensation to be provided by law. Provides contingency for vacancy in the position of tax assessor. Further provides that in Orleans Parish, the assessor is to be elected at the same time as the municipal officers of New Orleans. Proposed constitutional amendment redesignates present constitution as Art. VII, §40.

**TAX SALES/ADMINISTRATION**

Present constitution (Art. VII, §25) prohibits the forfeiture of property for nonpayment of taxes. Provides that the assessment of ad valorem taxes and other impositions on immovable property constitute a lien and privilege on the property assessed in favor of the political subdivision to which taxes and other impositions are owed. Further requires the legislature to provide by law for the efficient administration of tax sales which shall include at a minimum: imposition of interest not to exceed 1% per month on a non-compounding basis, imposition of penalty not to exceed 5% of the delinquent taxes and other impositions, a time period during which liens cannot be enforced, and a procedure for claiming excess proceeds from the sale of property as a result of the enforcement of a lien. Further authorizes the legislature, by law, to provide authority to the tax collector to waive penalties for good cause.

Present constitution provides for sale of movables when taxes thereon are delinquent. Sets forth criteria for such sales. Authorizes the tax collector to levy on incorporeal rights if he cannot find corporeal movables of the delinquent to seize. Also authorizes the tax collector to compel the delinquent to deliver for sale property in his possession or under his control by summary rule.

Present constitution authorizes the legislature to postpone the payment of taxes, but only in cases of an emergency declared by the governor or a parish president pursuant to the La. Homeland Security and Emergency Assistance and Disaster Act. Further authorizes the legislature to provide for the levying, assessing, and collecting of postponed taxes and authorizes the creation of a fund from which loans may be made through the Interim Emergency Board to the governing authority of the parish where the taxes are postponed. Provides for initial funding of such a fund and restrictions on loans from the fund.

Proposed constitutional amendment redesignates present constitution as Art. VII, §41.

**REVENUE SHARING**

Present constitution (Art. VII, §26) provides for the annual distribution by law of \$90 M to parishes based on population and number of homesteads in each parish in proportion to population and number of homesteads throughout the state. Requires the legislature to provide by law for a distribution formula and provides requirements for such formula. Provides for who shall receive such distribution on behalf of parishes and authorizes political subdivisions to pledge funds received pursuant to present constitution to the payment of bonds. Proposed constitutional amendment redesignates present constitution as Art. VII, §42.

**UNCLAIMED PROPERTY**

Present constitution (Art. VII, §28) establishes the Unclaimed Property Permanent Trust Fund within the treasury. Provides for deposit, investment, and use of monies in the fund. Requires deposit of any realized capital gains, dividend income, and interest income earned on investment of trust monies into the state general fund. Requires annual reports to the legislature and the governor concerning the balance of the fund as of the close of the prior year and the state's potential liability to unclaimed property claimants as of the same date. Provides for access of trust fund assets if certain conditions are met. Provides that property received by the state pursuant to present law (Unclaimed Property Act of 1997) and deposited into the fund is private property held in trust until a claim is made for it by the owner.

Proposed constitutional amendment redesignates present constitution as Art. VII, §43.

**MONIES HELD IN FUNDS TO BE REPEALED**

After the effective date of proposed constitutional amendment (Section 3 of this Act) directs the treasurer, until directed otherwise by law, to deposit monies that would have been deposited into the Mineral Revenue Audit and Settlement Fund into the state general fund.

**TECHNICAL AND CONFORMING CHANGES**

Proposed constitutional amendment makes technical changes to present constitution and further makes conforming changes to align with changes in proposed constitutional amendment.

**SUBMISSION TO VOTERS**

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 3, 2026.

(Amends Const. Art. VII, §§1 - 28; Adds Const. Art. VII, §§29 - 43)