

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 348** HLS 17RS 753  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 27, 2017 10:08 AM	<b>Author:</b> JONES
<b>Dept./Agy.:</b> Transportation and Development	<b>Analyst:</b> Alan M. Boxberger
<b>Subject:</b> Provides relative to deposit and use of the TTF	

TAX/GASOLINE TAX OR SEE FISC NOTE SD EX Page 1 of 1

(Constitutional Amendment) Provides relative to the deposit and use of the avails of the taxes levied on gasoline, motor fuels, and special fuels

Present constitution establishes the Transportation Trust Fund (TTF) as a special treasury fund and requires that all state taxes levied on gasoline and motor fuels be deposited annually into the fund; provides for allowable uses of the TTF; and prohibits the levy of any state or local sales tax on gasoline and motor fuels.

Proposed constitutional amendment requires that revenues of any additional taxes enacted on gasoline, motor fuels and special fuels, on or after 7/1/17, be deposited into the 21st Century Transportation and Infrastructure Fund to be used to support state and local transportation/capital infrastructure projects; requires the legislature to establish a list of funding priorities as well as a formula and method of distribution; and requires that any change in the funding priorities or formula and distribution shall require the enactment of a law by 3/4 vote of the elected members of each house of the legislature. Proposed constitutional amendment shall be submitted to the voters at the statewide election to be held on 10/14/17.

<b>EXPENDITURES</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW					
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	SEE BELOW					
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	SEE BELOW					
<b>Annual Total</b>						

<b>REVENUES</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	SEE BELOW					
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Proposed constitutional amendment provides that the avails of any additional tax on gasoline, motor fuels and special fuels on or after July 1, 2017, shall be deposited into the 21st Century Transportation and Infrastructure Fund (21st Century Fund - **see note below**) and the use of said monies shall be limited to state and local government transportation and capital infrastructure projects. To the extent that new taxes on the prescribed fuels should be enacted by the legislature, proposed constitutional amendment will allow the legislature to appropriate from the 21st Century Fund pursuant to the provisions of any such tax increase. DOTD reports the restriction to state and local government projects may in some cases limit future additional revenues from being used to match federal funds from the Federal Highway Administration, which are available for certain eligible categories of highway infrastructure and connecting arteries.

Proposed constitutional amendment provides that the legislature shall establish a list of funding priorities as well as a formula and method of distribution. The LFO assumes the legislature will likely utilize the existing highway priority program as a starting point in developing its funding priority list. This provision may result in an increase in the number of meetings of the standing transportation committees. With regard to committee members, each member is eligible for a per diem of \$168 plus mileage reimbursement, which is currently \$0.54 per mile.

The Louisiana Department of Treasury will incur SGF costs related to the creation of a new statutory dedication (**see note below**), including fund accounting, financial reporting, banking and custodial functions. These costs are typically small for individual statutory dedications (likely to be several thousands of dollars) and are typically absorbed within existing resources until cumulative additional dedications necessitate that increased resources be provided. At the point additional resources are necessary, the Treasury reports it will require one additional T.O. position with total personal services costs of approximately \$71,000 as well as one-time costs associated with acquisition of office equipment at approximately \$2,450.

**NOTE:** The 21st Century Transportation and Infrastructure Fund is not an existing statutory dedication. Proposed constitutional amendment does not appear to provide for establishment of the 21st Century Fund, to define for its allowable uses, or provide direction to the Treasury with regard to investments, interest earnings, etc. Four other house bills filed in the 2017 Regular Session make reference to deposits into the 21st Century Fund, but the fund is only established and defined in HB 578.

**REVENUE EXPLANATION**

Proposed constitutional amendment requires that revenues of any additional taxes enacted on gasoline, motor fuels and special fuels, on or after 7/1/17, be deposited in the 21st Century Transportation and Infrastructure Fund to be used to support state and local transportation and capital infrastructure projects.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  
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