

2019 Regular Session

HOUSE BILL NO. 419

BY REPRESENTATIVE IVEY

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TAX/AD VALOREM TAX: (Constitutional Amendment) Amends Article 7 of the state constitution

1 A JOINT RESOLUTION

2 Proposing to amend Article VII of the Constitution of Louisiana, relative to revenue and
3 finance; to provide for taxation; to provide for state debt; to provide for the state
4 bond commission; to provide for state funds; to provide for the Wildlife and
5 Fisheries Conservation Fund; to provide for the Louisiana Education Quality Trust
6 Fund; to provide for the Coastal Protection and Restoration Fund; to provide for the
7 Budget Stabilization Fund; to provide for the Higher Education Louisiana
8 Partnership Fund; to provide for the Mineral Revenue Audit and Settlement Fund;
9 to provide for the Oilfield Site Restoration Fund; to provide for the Oil Spill
10 Contingency Fund; to provide for the Millennium Trust; to provide for the Louisiana
11 Fund; to provide for the Millennium Leverage Fund; to provide for the Artificial
12 Reef Development Fund; to provide for the Agricultural and Seafood Products
13 Support Fund; to provide for the Hospital Stabilization Fund; to provide for the
14 Louisiana Medical Assistance Trust Fund; to provide for the Revenue Stabilization
15 Trust Fund; to provide for the dedication of mineral revenues; to provide for the state
16 budget; to provide for budgets; to provide for the expenditure of state funds; to
17 provide for the general reporting; to provide for investments; to provide for property
18 taxation; to provide for the Revenue Sharing Fund; to provide for the Transportation
19 Trust Fund; to provide for an effective date; to provide for submission of the
20 proposed amendment to the electors; and to provide for related matters.

1 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
2 elected to each house concurring, that there shall be submitted to the electors of the state of
3 Louisiana, for their approval or rejection in the manner provided by law, a proposal to
4 amend Article VII of the Constitution of Louisiana, to read as follows:

5 ARTICLE VII. REVENUE AND FINANCE

6 PART I. GENERAL PROVISIONS

7 §1. Power to Tax; Public Purpose

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

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

16 §2. Power to Tax; Limitation

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

20 §2.1. Fees and Civil Fines; Limitation

21 Section 2.1.(A) Any new fee₂ ~~or~~ civil fine₂ or increase in an existing fee₂ ~~or~~
22 civil fine imposed₂ or assessed by the state or any board, department, or agency of
23 the state shall require the enactment of a law by a two-thirds vote of the elected
24 members of each house of the legislature.

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

28 §2.2. Power to Tax; Sales and Use Tax; Limitation

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

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

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

9 (3) Prescription drugs.

10 (B) ~~Effective~~ Notwithstanding the provisions of Paragraph (A) of this
11 Section, effective July 1, 2003, 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 in R.S. 47:305(D)(1)(n) through
15 (r) on January 1, 2003.

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

18 (3) Prescription drugs.

19 (C) 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 §2.3. Power to Tax; Limitation; Sale or Transfer of Immovable Property

28 Section 2.3. No new tax or fee upon the sale or transfer of immovable
29 property, including documentary transaction taxes or fees, or any other tax or fee,

1 shall be levied by the state of Louisiana, ~~by a political subdivision whose boundaries~~
2 ~~are coterminous with those of the state~~, or by a political subdivision, as defined in
3 Article VI, Section 44(2) of this constitution after November 30, 2011. A
4 documentary transaction is any transaction pursuant to any instrument, act, writing,
5 or document which transfers or conveys immovable property. Fees for the cost of
6 recordation, filing, or maintenance of documents, or records effectuating the sale or
7 transfer of immovable property, impact fees for development of property, annual
8 parcel fees, and ad valorem taxes shall not be considered taxes or fees upon the sale
9 or transfer of immovable property.

10 §3. Collection of Taxes

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

14 (B)(1) Notwithstanding any contrary provision of this constitution, sales and
15 use taxes levied by political subdivisions shall be collected by a single collector for
16 each parish. ~~On or before July 1, 1992, all political subdivisions within each parish~~
17 ~~which levy a sales and use tax shall agree between and among themselves to provide~~
18 ~~for the collection of such taxes by a single collector or a central collection~~
19 ~~commission.~~ The legislature, by general law, shall provide for the collection of sales
20 and use taxes, levied by political subdivisions, by a central collection commission
21 in those parishes where a single collector or a central collection commission has not
22 been established ~~by July 1, 1992.~~

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

26 (3) Except when authorized by the unanimous agreement of all political
27 subdivisions levying a sales and use tax within a parish, only those political
28 subdivisions levying a sales and use tax shall be authorized to act as the single

1 collector or participate on any commission established for the collection of such
2 taxes.

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

7 (5) The provisions of this Paragraph shall not apply in those parishes which
8 have a single collector or a centralized collection arrangement as of July 1, 1992.

9 §4. Income Tax; Severance Tax; Political Subdivisions

10 Section 4.(A) Income Tax. Equal and uniform taxes may be levied on net
11 incomes, ~~and these taxes may be graduated according to the amount of net income.~~
12 ~~However, the state individual and joint income tax schedule of rates and brackets~~
13 ~~shall never exceed the rates and brackets set forth in Title 47 of the Louisiana~~
14 ~~Revised Statutes on January 1, 2003. Federal income taxes paid shall be allowed as~~
15 ~~a deductible item in computing state income taxes for the same period. The state tax~~
16 ~~levied on the net income of individuals shall be levied at a flat rate which shall be~~
17 ~~established in law.~~

18 (B) Severance Tax. Taxes may be levied on natural resources severed from
19 the soil or water, to be paid proportionately by the owners thereof at the time of
20 severance. Natural resources may be classified for the purpose of taxation. Such
21 taxes may be predicated upon either the quantity or value of the products at the time
22 and place of severance. No further or additional tax or license shall be levied or
23 imposed upon oil, gas, or sulphur leases or rights. No additional value shall be added
24 to the assessment of land by reason of the presence of oil, gas, or sulphur therein or
25 their production therefrom. However, sulphur in place shall be assessed for ad
26 valorem taxation to the person, firm, or corporation having the right to mine or
27 produce the same in the parish where located, at no more than twice the total
28 assessed value of the physical property subject to taxation, excluding the assessed
29 value of sulphur above ground, as is used in sulphur operations in such parish.

1 Likewise, the severance tax shall be the only tax on timber; however, standing timber
2 shall be liable equally with the land on which it stands for ad valorem taxes levied
3 on the land.

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

6 (D)(1) Severance Tax Allocation. One-third of the sulphur severance tax,
7 but not to exceed one hundred thousand dollars; one-third of the lignite severance
8 tax, but not to exceed one hundred thousand dollars; one-fifth of the severance tax
9 on all natural resources, other than sulphur, lignite, or timber, but not to exceed five
10 hundred thousand dollars; and three-fourths of the timber severance tax shall be
11 remitted to the governing authority of the parish in which severance or production
12 occurs.

13 (2) Effective July 1, 1999, one-third of the sulphur severance tax, but not to
14 exceed one hundred thousand dollars; one-third of the lignite severance tax, but not
15 to exceed one hundred thousand dollars; one-fifth of the severance tax on all natural
16 resources, other than sulphur, lignite, or timber, but not to exceed seven hundred fifty
17 thousand dollars; and three-fourths of the timber severance tax shall be remitted to
18 the governing authority of the parish in which severance or production occurs.

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

28 ~~(4) Effective April 1, 2012, the provisions of this Subparagraph shall be~~
29 ~~implemented if and when the last official forecast of revenues adopted for a fiscal~~

1 ~~year before the start of that fiscal year contains an estimate of severance tax revenues~~
2 ~~derived from natural resources other than sulphur, lignite, or timber in an amount~~
3 ~~which exceeds the actual severance tax revenues from such natural resources~~
4 ~~collected in Fiscal Year 2008-2009.~~ Upon the adoption of such official forecast, the
5 Revenue Estimating Conference shall certify that the requirements for the
6 implementation of the provisions contained in this Subparagraph have been met. In
7 such event, the following distributions and allocations of severance tax revenues and
8 other revenues provided in this Subparagraph shall be effective and implemented for
9 the fiscal year for which the official forecast was adopted, and each year thereafter.
10 The legislature shall provide by law for the administrative procedures necessary to
11 change the severance tax allocation to parishes from a calendar year basis to a fiscal
12 year basis.

13 (a) Remittance to parishes.

14 (i) In the first fiscal year of implementation of this Subparagraph, the
15 maximum amount of severance tax on all natural resources other than sulphur,
16 lignite, or timber which is remitted to the parish in which severance or production
17 occurs shall not exceed one million eight hundred fifty thousand dollars. For all
18 subsequent fiscal years, the maximum amount remitted to a parish shall not exceed
19 two million eight hundred fifty thousand dollars.

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

26 (iii) ~~Of the total amount of severance tax revenues remitted in a fiscal year~~
27 ~~to a parish governing authority pursuant to the provisions of this Subparagraph, any~~
28 ~~portion which is in excess of the amount of such tax revenues remitted to that parish~~
29 ~~in Fiscal Year 2011-2012 shall be known as "excess severance tax".~~ At least fifty

1 percent of the excess severance tax received by a parish governing authority in a
2 fiscal year shall be expended within the parish in the same manner and for the same
3 purposes as monies received by the parish from the Parish Transportation Fund.

4 (b) Deposit into the Atchafalaya Basin Conservation Fund.

5 (i) Notwithstanding any other provision of this constitution to the contrary,
6 after allocation of money to the Bond Security and Redemption Fund as provided in
7 Article VII, Section 9(B) of this constitution, and after satisfying the required
8 allocations in Subsubparagraph (a) of this Subparagraph, Paragraph (E) of this
9 Section, and Article VII, Sections 10-A and 10.2 of this constitution, an amount
10 equal to fifty percent of the revenues received from severance taxes and royalties on
11 state lands in the Atchafalaya Basin, but not to exceed ten million dollars each fiscal
12 year, shall be deposited by the treasurer into the Atchafalaya Basin Conservation
13 Fund, hereinafter referred to as the "fund", which is hereby created as a special fund
14 in the state treasury. The monies in the fund shall be invested by the treasurer in the
15 manner provided by law, and interest earned on the investment of these monies shall
16 be deposited in and credited to the fund. All unexpended or unencumbered monies
17 remaining in the fund at the end of the fiscal year shall remain in the fund.

18 (ii) The monies in the fund shall be used exclusively for projects contained
19 in the state or federal Basin master plans or an annual Basin plan developed and
20 approved by the advisory or approval board created by law specifically for that
21 purpose, or to provide match for the Atchafalaya Basin Floodway System, Louisiana
22 Project. Each year's plan for the expenditure of monies appropriated from the fund
23 shall be subject to the approval of the appropriate subject matter committees of the
24 legislature.

25 (iii) Of the monies appropriated in any fiscal year, eighty-five percent shall
26 be used for water management, water quality, or access projects, and the remaining
27 fifteen percent may be used to complete ongoing projects and for projects that are
28 in accordance with the mission statement of the state master plan. However, no more

1 than five percent of the monies appropriated in any fiscal year may be used for the
2 operational costs of the program or the department.

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

10 §4.1. Cigarette Tax Rates

11 Section 4.1. To ensure revenue for the dedication provided for in Article VII,
12 Section 10.8(C)(2)(c) of this constitution, the rate of the tax levied pursuant to R.S.
13 47:841(B)(3) shall not be less than the rate set forth in that provision ~~as it exists on~~
14 ~~January 1, 2012.~~

15 §5. Motor Vehicle License Tax

16 Section 5. The legislature shall impose an annual license tax of not more
17 than one dollar per each one thousand dollars of actual value on automobiles for
18 private use based on the actual value of the vehicle, as provided by law. However,
19 the annual license tax shall not be less than ten dollars per automobile for private
20 use. On other motor vehicles, the legislature shall impose an annual license tax
21 based upon carrying capacity, horsepower, value, weight, or any of these. After
22 satisfying the requirements of Section 9(B) of this Article, and after satisfying
23 pledges respecting that portion of the revenues attributable to the tax rates in effect
24 at the time of such pledges for the payment of obligations for bonds or other
25 evidences of indebtedness and upon the creation of a Transportation Trust Fund
26 within this constitution, the revenues from the license tax on automobiles for private
27 use shall be deposited therein. ~~In the event no such trust fund is established in this~~
28 ~~constitution, the revenues shall be used exclusively and solely as provided by law for~~
29 ~~the construction, maintenance, and safety of the federal and state system of roads and~~

1 ~~bridges, for the parish and municipal road systems, for the operations of the office~~
2 ~~of state police, Department of Public Safety and Corrections or its successor, and for~~
3 ~~the payment of any obligation for bonds issued or indebtedness incurred in~~
4 ~~connection with any of the foregoing, which bonds may be issued as revenue bonds~~
5 ~~under Article VII, Section 6(C) of this constitution, subject to existing pledges only~~
6 ~~as to that portion of the tax collections attributable to the rates in effect at the time~~
7 ~~of such pledges for the payment of any obligations for bonds or other evidences of~~
8 ~~indebtedness outstanding on the effective date of this Section. No parish or~~
9 ~~municipality may impose a license fee on motor vehicles.~~

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

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

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

24 (2) The estimated amount of debt service to be paid for capital improvements
25 for the next fiscal year shall be stated as a separate item and by budget unit in the
26 budget estimate required to be submitted by the governor in accordance with Section
27 11 of this Article.

28 (C) Full Faith and Credit. The full faith and credit of the state shall be
29 pledged to the repayment of all bonds or other evidences of indebtedness issued by

1 the state directly or through any state board, agency, or commission pursuant to the
2 provisions of Paragraphs (A) and (B) hereof. The full faith and credit of the state is
3 not hereby pledged to the repayment of bonds of a levee district, political
4 subdivision, or local public agency. In addition, any state board, agency, or
5 commission authorized by law to issue bonds, in the manner so authorized and with
6 the approval of the State Bond Commission or its successor, may issue bonds which
7 are payable from fees, rates, rentals, tolls, charges, grants, or other receipts or income
8 derived by or in connection with an undertaking, facility, project, or any combination
9 thereof, without a pledge of the full faith and credit of the state. Such revenue bonds
10 may, but are not required to, be issued in accordance with the provisions of
11 Paragraphs (A) and (B) hereof. If issued other than as provided in Paragraphs (A)
12 and (B), such revenue bonds shall not carry the pledge of the full faith and credit of
13 the state and the issuance of the bonds shall not constitute the incurring of state debt
14 under this constitution. The rights granted to deep-water port commissions or
15 deep-water port, harbor, and terminal districts under this constitution shall not be
16 impaired by this Section.

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

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

25 (F) Limitation. (1) The legislature shall provide for the determination of a
26 limit to the amount of net state tax supported debt which may be issued by the state
27 in any fiscal year. Net state tax supported debt shall be defined by law. When
28 enacted, such definition shall not be changed except by specific legislative
29 instrument which receives a favorable vote of two-thirds of the elected members of

1 each house of the legislature. The limitation shall be established so that ~~by Fiscal~~
2 ~~Year 2003-2004 and thereafter~~ the amount necessary to service outstanding net state
3 tax supported debt shall not exceed six percent of the estimate of money to be
4 received by the state general fund and dedicated funds contained in the official
5 forecast adopted by the Revenue Estimating Conference at its first meeting after the
6 beginning of each fiscal year and any other money required to be included in the
7 estimate by this Paragraph. In making such estimate, the conference shall include
8 all amounts which are to be used to service net state tax supported debt. For
9 purposes of this Paragraph, servicing outstanding net state tax supported debt
10 includes payments of principal, interest, and sinking fund requirements. The
11 limitation established pursuant to this Paragraph shall not be construed to prevent the
12 payment of debt service on net state tax supported debt.

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

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

28 §7. State Debt; Interim Emergency Board

1 Section 7.(A) Composition. The Interim Emergency Board is created. It
2 shall be composed of the governor, lieutenant governor, state treasurer, presiding
3 officer of each house of the legislature, chairman of the Senate Finance Committee,
4 and chairman of the House Appropriations Committee, or their designees.

5 (B) Powers. Between sessions of the legislature, when the board by majority
6 vote determines that an emergency or impending flood emergency exists, it may
7 appropriate from the state general fund or borrow on the full faith and credit of the
8 state an amount to meet the emergency. The appropriation may be made or the
9 indebtedness incurred only for a purpose for which the legislature may appropriate
10 funds and then only after the board obtains, as provided by law, the written consent
11 of two-thirds of the elected members of each house of the legislature. For the
12 purposes of this Paragraph, an emergency is an event or occurrence not reasonably
13 anticipated by the legislature and an impending flood emergency shall be an
14 anticipated situation which endangers an existing flood protection structure. The
15 appropriation or indebtedness incurred for an impending flood emergency shall not
16 exceed two hundred fifty thousand dollars for any one event or occurrence. ~~For an~~
17 ~~impending emergency to qualify for funding it must be determined as such by the~~
18 ~~United States Army Corp of Engineers or the United States Coast Guard.~~ Total
19 funding for such impending emergencies shall not exceed twenty-five percent of the
20 funds annually available to the Interim Emergency Board.

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

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

28 §8. State Bond Commission

1 Section 8.(A) Creation. The State Bond Commission is created. Its
2 membership and authority shall be determined by law.

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

7 (C) Contesting State Bonds. Bonds, notes, certificates, or other evidences
8 of indebtedness of the state (~~hereafter~~ hereinafter referred to as "bonds") shall not be
9 invalid because of any irregularity or defect in the proceedings or in the issuance and
10 sale thereof and shall be incontestable in the hands of a bona fide purchaser or
11 holder. The issuing agency, after authorizing the issuance of bonds by resolution,
12 shall publish once in the official journal of the state, as provided by law, a notice of
13 intention to issue the bonds. The notice shall include a description of the bonds and
14 the security therefor. Within thirty days after the publication, any person in interest
15 may contest the legality of the resolution, any provision of the bonds to be issued
16 pursuant to it, the provisions securing the bonds, and the validity of all other
17 provisions and proceedings relating to the authorization and issuance of the bonds.
18 If no action or proceeding is instituted within the thirty days, no person may contest
19 the validity of the bonds, the provisions of the resolution pursuant to which the bonds
20 were issued, the security of the bonds, or the validity of any other provisions or
21 proceedings relating to their authorization and issuance, and the bonds shall be
22 presumed conclusively to be legal. Thereafter no court shall have authority to
23 inquire into such matters.

24 §9. State Funds

25 Section 9.(A) Deposit in State Treasury. All money received by the state or
26 by any state board, agency, or commission shall be deposited immediately upon
27 receipt in the state treasury, except that received:

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

- 1 (2) by trade or professional associations;
- 2 (3) by the employment security administration fund or its successor;
- 3 (4) by retirement system funds;
- 4 (5) by state agencies operating under authority of this constitution
- 5 preponderantly from fees and charges for the shipment of goods in international
- 6 maritime trade and commerce; and
- 7 (6) by a state board, agency, or commission, but pledged by it in connection
- 8 with the issuance of revenue bonds as provided in Paragraph (C) of Section 6 of this
- 9 Article, other than any surplus as may be defined in the law authorizing such revenue
- 10 bonds.

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

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

25 §10. Expenditure of State Funds

26 Section 10.(A) Revenue Estimating Conference. The Revenue Estimating
 27 Conference shall be composed of four members: the governor, or his designee, the
 28 president of the senate, or his designee, the speaker of the house or his designee, and
 29 a faculty member of a university or college in Louisiana who has expertise in

1 forecasting revenues. Changes to the membership beyond the four members shall
2 be made by law enacted by a favorable vote of two-thirds of the elected members of
3 each house.

4 (B) Official Forecast. The conference shall prepare and publish initial and
5 revised estimates of money to be received by the state general fund and dedicated
6 funds for the current and next fiscal years which are available for appropriation. In
7 each estimate, the conference shall designate the money in the estimate which is
8 recurring and which is nonrecurring. All conference decisions to adopt these
9 estimates shall be by unanimous vote of its members. Changes to the unanimous
10 vote requirement shall be made by law enacted by a favorable vote of two-thirds of
11 the elected members of each house. The most recently adopted estimate of money
12 available for appropriation shall be the official forecast.

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

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

28 (3) Beginning with the 1995-1996 Fiscal Year, the expenditure limit shall
29 be determined in accordance with the provisions of Paragraph (J) of this Section.

1 The redetermination of the expenditure limit for each fiscal year from the 1991-1992
2 Fiscal Year through the 1994-1995 Fiscal Year shall only be used in computing the
3 expenditure limit for the 1995-1996 Fiscal Year and shall not affect the expenditure
4 limit already computed in accordance with this Paragraph for such fiscal years.

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

7 (D) Appropriations. (1) Except as otherwise provided by this constitution,
8 money shall be drawn from the state treasury only pursuant to an appropriation made
9 in accordance with law. Appropriations from the state general fund and dedicated
10 funds except funds allocated by Article VII, Section 4, Paragraphs (D) and (E) shall
11 not exceed the expenditure limit for the fiscal year.

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

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

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

23 (ii) For Fiscal Years 2013-2014 and 2014-2015 the legislature shall
24 appropriate no less than five percent of any money designated in the official forecast
25 as nonrecurring to the Louisiana State Employees' Retirement System and the
26 Teachers' Retirement System of Louisiana for application to the balance of the
27 unfunded accrued liability of such systems existing as of June 30, 1988, in
28 proportion to the balance of such unfunded accrued liability of each such system.

1 Any such payments to the public retirement systems shall not be used, directly or
2 indirectly, to fund cost-of-living increases for such systems.

3 (iii) For Fiscal Year 2015-2016 and every fiscal year thereafter the
4 legislature shall appropriate no less than ten percent of any money designated in the
5 official forecast as nonrecurring to the Louisiana State Employees' Retirement
6 System and the Teachers' Retirement System of Louisiana for application to the
7 balance of the unfunded accrued liability of such systems existing as of June 30,
8 1988, in proportion to the balance of such unfunded accrued liability of each such
9 system. Any such payments to the public retirement systems shall not be used,
10 directly or indirectly, to fund cost-of-living increases for such systems.

11 (c) Providing funding for capital outlay projects in the comprehensive state
12 capital budget.

13 (d) Providing for allocation or appropriation for deposit into the Budget
14 Stabilization Fund established in Article VII, Section 10.3 of this constitution.

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

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

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

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

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

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

11 (E) Balanced Budget. Appropriations by the legislature from the state
12 general fund and dedicated funds for any fiscal year except funds allocated by
13 Article VII, Section 4, Paragraphs (D) and (E) shall not exceed the official forecast
14 in effect at the time the appropriations are made.

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

25 (2)(a) Notwithstanding any other provision of this constitution to the
26 contrary, adjustments to any constitutionally protected or mandated allocations or
27 appropriations, and transfer of monies associated with such adjustments, are
28 authorized when state general fund allocations or appropriations have been reduced
29 in an aggregate amount equal to at least seven-tenths of one percent of the total of

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

12 (b) Notwithstanding any other provision of this constitution to the contrary,
13 for the purposes of the budget estimate and enactment of the budget for the next
14 fiscal year, when the official forecast of recurring revenues for the next fiscal year
15 is at least one percent less than the official forecast for the current fiscal year, the
16 following procedure may be employed to avoid a budget deficit in the next fiscal
17 year. An amount not to exceed five percent of the total appropriations or allocations
18 for the current fiscal year from any fund established by law or this constitution shall
19 be available for expenditure in the next fiscal year for a purpose other than as
20 specifically provided by law or this constitution. For the purposes of this
21 Subsubparagraph, an amount not to exceed one percent of the current fiscal year
22 appropriation for expenditures required by Article VIII, Section 13(B) of this
23 constitution shall be available for expenditures for other purposes in the next fiscal
24 year. Notwithstanding any other provisions of this constitution to the contrary,
25 monies made available as authorized under this Subsubparagraph may be transferred
26 to a fund for which revenues have been forecast to be less than the revenues in the
27 current fiscal year for such fund. Monies transferred as a result of the budget actions
28 authorized by this Subsubparagraph are deemed available for appropriation and
29 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) of this
16 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(A)(1) of this constitution.

21 (e) The Millennium Trust as provided in Article VII, Section 10.8 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 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 (i) The State Cybersecurity and Information Technology Infrastructure Fund,
2 as provided in Article VII, Section 10.17 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).

18 §10-A. Wildlife and Fisheries; Conservation Fund

19 Section 10-A. (A) Conservation Fund. Effective July 1, 1988, there shall
20 be established in the state treasury, as a special fund, the Louisiana Wildlife and
21 Fisheries Conservation Fund, hereinafter referred to as the Conservation Fund. Out
22 of the funds remaining in the Bond Security and Redemption Fund after a sufficient
23 amount is allocated from that fund to pay all obligations secured by the full faith and
24 credit of the state which become due and payable within any fiscal year as required
25 by Article VII, Section 9(B) of this constitution, the treasurer shall pay into the
26 Conservation Fund all of the following, except as provided in Article VII, Section
27 9(A), and except for the amount provided in R.S. 56:10(B)(1)(a) as that provision
28 existed on the effective date of this Section:

1 (1) All revenue from the types and classes of fees, licenses, permits,
2 royalties, or other revenue paid into the Conservation Fund as provided by law on
3 the effective date of this Section. Such revenue shall be deposited in the
4 Conservation Fund even if the names of such fees, licenses, permits, or other
5 revenues are changed.

6 Any increase in the amount charged for such fees, licenses, permits, royalties,
7 and other revenue, or any new fee, license, permit, royalty, or other revenue, enacted
8 by the legislature ~~after the effective date of this Section~~, shall be irrevocably
9 dedicated and deposited in the Conservation Fund unless the legislature enacts a law
10 specifically appropriating or dedicating such revenue to another fund or purpose.

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

13 ~~(3)~~(2) All funds or revenues which may be donated expressly to the
14 Conservation Fund.

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

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

28 §10.1. Quality Trust Fund; Education

1 Section 10.1.(A) Louisiana Education Quality Trust Fund. (1) Effective
2 January 1, 1987, there shall be established in the state treasury as a special permanent
3 trust fund the Louisiana Education Quality Trust Fund, hereinafter referred to as the
4 "Permanent Trust Fund." After allocation of money to the Bond Security and
5 Redemption Fund as provided in Article VII, Section 9(B) of this constitution, and
6 notwithstanding Article XIV, Section 10 of this constitution, the treasurer shall
7 deposit in and credit to the Permanent Trust Fund all money which is received after
8 the first one hundred million dollars from the federal government under Section
9 1337(g) of Title 43 of the United States Code which is attributable to mineral
10 production activity or leasing activity on the Outer Continental Shelf which has been
11 held in escrow pending a settlement between the United States and the state of
12 Louisiana; twenty-five percent of the recurring revenues received under Section
13 1337(g) of Title 43 of the United States Code which are attributable to mineral
14 production activity or leasing activity on the Outer Continental Shelf; twenty-five
15 percent of the interest income earned on investment of monies in the Permanent
16 Trust Fund; seventy-five percent of the realized capital gains on investment of the
17 Permanent Trust Fund, unless such percentage is changed by law enacted by two-
18 thirds of the elected members of each house of the legislature; and twenty-five
19 percent of the dividend income earned on investment of the Permanent Trust Fund.
20 No appropriation shall be made from the Permanent Trust Fund. ~~If any such money~~
21 ~~has been received prior to the effective date of this Section, the treasurer shall~~
22 ~~transfer from the state general fund to the Permanent Trust Fund on the effective date~~
23 ~~of this Section an amount of money which shall make the Permanent Trust Fund~~
24 ~~balance equal to the amount of such money previously received, except for the first~~
25 ~~one hundred million dollars.~~ After six hundred million dollars has been credited to
26 the Permanent Trust Fund, the sum of fifty million dollars shall be credited to the
27 Coastal Environment Protection Trust Fund, as established in R.S. 30:313, from
28 those monies received from the federal government under Section 1337(g) of Title
29 43 of the United States Code which is attributable to mineral production activity or

1 leasing activity on the Outer Continental Shelf and which has been held in escrow
2 pending a settlement between the United States and the state of Louisiana; all funds
3 in excess of seven hundred fifty million dollars shall be credited to the Permanent
4 Trust Fund.

5 (2) After allocation of money to the Bond Security and Redemption Fund as
6 provided in Article VII, Section 9(B) of the constitution, and notwithstanding Article
7 XIV, Section 10 of the constitution, seventy-five percent of the recurring revenues
8 received under Section 1337(g) of Title 43 of the United States Code which are
9 attributable to mineral production activity or leasing activity, and the percent
10 remaining of the realized capital gains and interest income and dividend income
11 earned on investment of the Permanent Trust Fund after the deposit required to the
12 Permanent Trust Fund in Paragraph A(1) of this Section shall be deposited and
13 credited to a special fund which is hereby created in the state treasury and which
14 shall be known as the Louisiana Quality Education Support Fund, hereinafter
15 referred to as the "Support Fund".

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

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

1 available for appropriation to pay expenses incurred in the investment and
2 management of the Permanent Trust Fund and for educational purposes only as
3 provided in Paragraphs (C) and (D) of this Section.

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

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

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

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

1 previous year unless the total appropriations for that fiscal year from the state general
2 fund for such purpose exceed general fund appropriations for the previous year. This
3 Paragraph shall in no way limit general fund appropriations in excess of the
4 minimum amounts herein established.

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

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

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

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

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

17 (d) The recruitment of superior graduate students.

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

22 (a) To provide compensation to city or parish school board professional
23 instructional employees.

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

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

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

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

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

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

9 §10.2. Coastal Protection and Restoration Fund

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

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

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

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

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

26 (B)(1) After making the allocations provided for in Paragraph (A), the
27 treasurer shall then deposit in and credit to the Coastal Protection and Restoration
28 Fund any amount of mineral revenues that may be necessary to insure that a total of
29 five million dollars is deposited into such fund for the fiscal year from this source;

1 ~~provided that the balance of the fund which consists of mineral revenues from~~
2 ~~severance taxes, royalty payments, bonus payments, or rentals shall not exceed an~~
3 ~~amount provided by law, but in no event shall the amount provided by law be less~~
4 ~~than five hundred million dollars.~~

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

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

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

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

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

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

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

3 (E)(1) Subject to Article VII, Sections 9(B) and 10.1 of this constitution, in
4 each fiscal year, the federal revenues that are received by the state generated from
5 Outer Continental Shelf oil and gas activity and eligible, as provided by federal law,
6 to be used for the purposes of this Paragraph shall be deposited and credited by the
7 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~~ (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 (B) Money in the fund shall be invested as provided by law. Earnings
8 realized in each fiscal year on the investment of monies in the fund shall be
9 deposited to the credit of the fund. All unexpended and unencumbered monies in the
10 fund at the end of the fiscal year shall remain in the fund.

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

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

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

26 (3) In no event shall the amount included in the official forecast for the next
27 fiscal year plus the amount appropriated in the current fiscal year exceed one-third
28 of the fund balance at the beginning of the current fiscal year.

1 (4) No appropriation or deposit to the fund shall be made if such
2 appropriation or deposit would cause the balance in the fund to exceed four percent
3 of total state revenue receipts for the previous fiscal year.

4 §10.4. Higher Education Louisiana Partnership Fund; Program

5 Section 10.4.(A) Higher Education Louisiana Partnership Fund. (1) There
6 is hereby established a special fund in the state treasury to be known as the Higher
7 Education Louisiana Partnership Fund, hereinafter referred to as the "fund",
8 consisting of monies appropriated annually by the legislature, grants, gifts, and
9 donations received by the state for the purposes of this Section, and other revenues
10 as may be provided by law; provided that no such monies shall come from the
11 allocations provided in Article VII, Section 4, Paragraphs (D) and (E) of this
12 constitution.

13 (2) All unexpended and unencumbered monies in the Higher Education
14 Louisiana Partnership Fund at the end of a fiscal year shall remain in such fund and
15 be available for appropriation in the next fiscal year. The monies in the fund shall
16 be invested by the state treasurer in accordance with state law, and interest earned
17 on the investment of these monies shall be credited to the fund, after compliance
18 with the requirements of Article VII, Section 9(B) of the Constitution of Louisiana,
19 relative to the Bond Security and Redemption Fund.

20 (B) Higher Education Louisiana Partnership Program. (1) Upon
21 appropriation by the legislature, the monies in the fund shall be divided into
22 matching grants for the Higher Education Louisiana Partnership Program which shall
23 be administered by the Board of Regents. The Board of Regents may allocate
24 program funds to each public or independent institution of higher education on a one
25 to one and one-half matching basis or one twenty thousand dollar state matching
26 grant for each thirty thousand dollars raised specifically for the purposes of
27 participation in the Higher Education Louisiana Partnership Program by the
28 institutions of higher education from private sources. The state matching portion
29 shall be allocated by the Board of Regents only after it determines that an eligible

1 institution has accumulated not less than the minimum required amount from private
2 sources for the purposes of the Higher Education Louisiana Partnership Program.

3 (2)(a) No public institution of higher education shall be eligible in any given
4 fiscal year to receive a share of program funds which is greater than that institution's
5 proportion of the full-time equivalent number of students enrolled in public higher
6 education in the state.

7 (b) No independent institution of higher education shall be eligible in any
8 given fiscal year to receive a share of program funds which is greater than that
9 institution's proportion of the full-time equivalent number of students enrolled in
10 independent institutions of higher education in the state.

11 (c) However, if there are monies which have been appropriated to the fund
12 but remain on March first of any fiscal year unallocated to any matching grant, then
13 any participating institution of higher education which has raised the required funds
14 from private sources may apply for and be awarded the number of additional
15 matching grants for which unallocated funding is available and which the institution
16 is able to match. ~~Provided however, that no participating institution shall receive
17 more than fifty percent of available funds in any fiscal year.~~

18 (d) However, the share of the program funds received annually by
19 independent institutions of higher education shall not exceed fifteen percent in the
20 aggregate of the total amount of program funds available for matching grants under
21 this program.

22 (3) State matching funds shall be applied only to private source funds
23 contributed after July 1, 1991, and pledged for the purposes of this Section as
24 certified by the Board of Regents. Pledged contributions shall not be eligible for
25 state matching funds prior to their actual collection.

26 (4) Each institution of higher education may establish its own Higher
27 Education Louisiana Partnership Program fund as a depository for private
28 contributions and state matching funds as provided herein. The state matching funds
29 allocated by the Board of Regents shall be transferred to an institution upon

1 notification that the institution has received and deposited the necessary private
2 contributions in its own Higher Education Louisiana Partnership Program fund.

3 (5) Each institution of higher education, under the supervision and
4 management of its board, shall have the responsibility for the administration of the
5 Higher Education Louisiana Partnership Program at that institution and for
6 maintenance and investment of its fund. The institution shall be responsible for
7 soliciting and receiving gifts from private sources to be used for the purposes of this
8 Section.

9 (6) State matching grants from funds allocated for the Higher Education
10 Louisiana Partnership Program may be made for the purposes of endowed
11 professorships totaling one hundred thousand dollars or more; endowed
12 undergraduate scholarships totaling fifty thousand dollars or more; library
13 acquisitions, laboratory enhancement, or research and instructional equipment
14 acquisitions totaling fifty thousand dollars or more; or facilities construction or
15 renovations totaling one hundred thousand dollars or more.

16 (7) The monies appropriated by the legislature and disbursed from the
17 Higher Education Louisiana Partnership Fund shall not displace, replace, or supplant
18 appropriations for higher education from the general fund or from bond proceeds.
19 This shall mean that no disbursement from the fund for a current fiscal year shall be
20 made for any higher education purpose for which an appropriation was made the
21 previous year from the general fund or from bond proceeds unless the total
22 appropriations for the current fiscal year for higher education from the state general
23 fund or from bond proceeds exceed general fund appropriations or bond proceeds
24 appropriations for higher education for the previous year. This requirement shall in
25 no way limit appropriations from the general fund or from bond proceeds in excess
26 of the minimum amounts herein established.

27 (C) Implementation.

28 The legislature shall provide for the implementation of this Section.

29 §10.5. Mineral Revenue Audit and Settlement Fund

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

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

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

12 (3) As provided by the requirements of Article VII, Sections 10-A, 10.1,
13 10.2, and 10.3 of this constitution.

14 (B) After making the allocations provided for in Paragraph (A), the treasurer
15 shall then deposit in and credit to the Mineral Revenue Audit and Settlement Fund
16 any such remaining revenues. Any revenues deposited in and credited to the fund
17 shall be considered mineral revenues from severance taxes, royalty payments, bonus
18 payments, or rentals for purposes of determining deposits and credits to be made in
19 and to the Coastal Protection and Restoration Fund as provided in Article VII,
20 Section 10.2 of this constitution. Any revenues deposited in and credited to the fund
21 shall not be considered mineral revenues for purposes of the Budget Stabilization
22 Fund as provided in Article VII, Section 10.3 of this constitution. Money in the fund
23 shall be invested as provided by law. The earnings realized in each fiscal year on the
24 investment of monies in the Mineral Revenue Audit and Settlement Fund shall be
25 deposited in and credited to the Mineral Revenue Audit and Settlement Fund.

26 (C) After making the allocations provided for in Paragraph (A) and (B), the
27 treasurer shall credit thirty-five million dollars to the Coastal Protection and
28 Restoration Fund, and thereafter any monies credited to the fund in any fiscal year
29 may be annually appropriated by the legislature only for the purposes of retirement

1 in advance of maturity through redemption, purchase, or repayment of debt of the
2 state, pursuant to a plan proposed by the State Bond Commission to maximize the
3 savings to the state; for payments against the unfunded accrued liability of the public
4 retirement systems which are in addition to any payments required for the annual
5 amortization of the unfunded accrued liability of the public retirement systems,
6 required by Article X, Section 29 of this constitution; however, any such payment
7 to the public retirement systems shall not be used, directly or indirectly, to fund
8 cost-of-living increases for such systems; and for deposit in the Coastal Protection
9 and Restoration Fund.

10 §10.6. Oilfield Site Restoration Fund

11 Section 10.6.(A) Oilfield Site Restoration Fund. Effective January 4, 1996,
12 there shall be established in the state treasury, as a special fund, the Oilfield Site
13 Restoration Fund, hereinafter referred to as the restoration fund. Out of the funds
14 remaining in the Bond Security and Redemption Fund after a sufficient amount is
15 allocated from that fund to pay all obligations secured by the full faith and credit of
16 the state which become due and payable within any fiscal year as required by Article
17 VII, Section 9(B) of this constitution, the treasurer shall pay into the restoration fund
18 all of the following:

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

24 (a) Any increase in the amount charged for such fees, penalties, other
25 revenues, or judgments associated with site cleanup activities enacted by the
26 legislature after the effective date of this Section, for the purpose of orphaned oilfield
27 site restoration shall be irrevocably dedicated and deposited in the restoration fund.

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

1 (3) All funds or revenues which may be donated expressly to the restoration
2 fund.

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

4 (B) The monies in the restoration fund shall be appropriated by the
5 legislature to the Department of Natural Resources, or its successor, and shall be
6 used solely for the programs and purposes of oilfield site restoration as required by
7 law.

8 (C) All unexpended and unencumbered monies in the restoration fund at the
9 end of the fiscal year shall remain in the fund. The monies in the fund shall be
10 invested by the treasurer in the manner provided by law. All interest earned on
11 monies invested by the treasurer shall be deposited in the fund. The treasurer shall
12 prepare and submit to the department on a quarterly basis a printed report showing
13 the amount of money contained in the fund from all sources.

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

16 §10.7. Oil Spill Contingency Fund

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

25 (1) All revenue from the types and classes of fees, taxes, penalties,
26 judgments, reimbursements, charges, and federal funds collected or other revenue
27 paid into the contingency fund as provided by law on the effective date of this
28 Section. Such revenue shall be deposited in the contingency fund even if the names

1 of such fees, taxes, penalties, judgments, reimbursements, charges, and federal funds
2 collected or other revenues are changed.

3 (a) Any increase in the amount charged for such fees, taxes, penalties,
4 judgments, reimbursements, charges, and federal funds collected or other revenue,
5 or any new fees, taxes, penalties, judgments, reimbursements, charges, and federal
6 funds collected or other revenue enacted by the legislature for the purposes of
7 abatement and containment of actual or threatened unauthorized discharges of oil
8 after the effective date of this Section, shall be irrevocably dedicated and deposited
9 in the contingency fund.

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

12 (3) All funds or revenues which may be donated expressly to the
13 contingency fund.

14 (B) The monies in the contingency fund shall be appropriated by the
15 legislature to be used solely for the programs and purposes of abatement and
16 containment of actual or threatened unauthorized discharges of oil as provided by
17 law; and for administrative expenses associated with such programs and purposes as
18 provided by law.

19 (C) All unexpended and unencumbered monies in the contingency fund at
20 the end of the fiscal year shall remain in the fund. The monies in the fund shall be
21 invested by the treasurer in the manner provided by law. All interest earned on
22 monies invested by the treasurer shall be deposited in the fund. The balance of the
23 fund shall not exceed thirty million dollars or otherwise as provided by law.

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

26 §10.8. Millennium Trust

27 Section 10.8. Millennium Trust

28 (A) Creation

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

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

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

18 (c)(a) Fiscal Year 2002-2003 and each fiscal year thereafter, seventy-five
19 percent of the total monies received that year. However, beginning in Fiscal Year
20 2011-2012 after the balance in the Millennium Trust reaches a total of one billion
21 three hundred eighty million dollars, the monies deposited in and credited to the
22 Millennium Trust, received as a result of the Settlement Agreement, shall be
23 allocated to the various funds within the Millennium Trust as provided in
24 Subsubparagraphs (2)(b), (3)(b), and (4)(b) and (c) of this Paragraph.

25 ~~(d) For Fiscal Year 2000-2001, Fiscal Year 2001-2002, and Fiscal Year~~
26 ~~2002-2003, ten percent of the total monies received in each of those years for credit~~
27 ~~to the Education Excellence Fund which, notwithstanding the provisions of~~
28 ~~Subparagraph (C)(1) of this Section, shall be appropriated for the purposes provided~~
29 ~~in Subsubparagraph (d) of Subparagraph (3) of Paragraph (C) of this Section.~~

1 (2)(a) The Health Excellence Fund shall be established as a special fund
2 within the Millennium Trust. The treasurer shall credit to the Health Excellence Fund
3 one-third of the Settlement Agreement proceeds deposited each year into the
4 Millennium Trust, and one-third of all investment earnings on the investment of the
5 Millennium Trust. The treasurer shall report annually to the legislature as to the
6 amount of Millennium Trust investment earnings credited to the Health Excellence
7 Fund.

8 (b) Beginning Fiscal Year 2011-2012, and each fiscal year thereafter, the
9 treasurer shall credit to the Health Excellence Fund one-third of all investment
10 earnings on the investment of the Millennium Trust. The treasurer shall report
11 annually to the legislature as to the amount of Millennium Trust investment earnings
12 credited to the Health Excellence Fund.

13 (c) Beginning on July 1, 2012, after allocation of money to the Bond
14 Security and Redemption Fund as provided in Article VII, Section 9(B) of this
15 constitution, the state treasurer shall deposit in and credit to the Health Excellence
16 Fund an amount equal to the revenues derived from the tax levied pursuant to R.S.
17 47:841(B)(3).

18 (3)(a) The Education Excellence Fund shall be established as a special fund
19 within the Millennium Trust. The treasurer shall credit to the Education 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 and the state
23 superintendent of education as to the amount of Millennium Trust investment
24 earnings credited to the Education Excellence Fund.

25 (b) Beginning Fiscal Year 2011-2012, and each fiscal year thereafter, the
26 treasurer shall credit to the Education 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 and the state superintendent of education as to the amount
29 of Millennium Trust investment earnings credited to the Education Excellence Fund.

1 (4)(a) The TOPS Fund shall be established as a special fund within the
2 Millennium Trust. The treasurer shall deposit in and credit to the TOPS Fund one-
3 third of the Settlement Agreement proceeds deposited into the Millennium Trust, and
4 one-third of all investment earnings on the investment of the Millennium Trust. The
5 treasurer shall report annually to the legislature as to the amount of Millennium Trust
6 investment earnings credited to the TOPS Fund.

7 (b) Beginning Fiscal Year 2011-2012, and each fiscal year thereafter, the
8 treasurer shall credit to the TOPS Fund one hundred percent of the Settlement
9 Agreement proceeds deposited into the Millennium Trust, and one-third of all
10 investment earnings on the investment of the Millennium Trust. The treasurer shall
11 report annually to the legislature as to the amount of Millennium Trust Settlement
12 Agreement proceeds and investment earnings credited to the TOPS Fund.

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

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

23 (B) Investment. Monies credited to the Millennium Trust pursuant to
24 Paragraph (A) of this Section shall be invested by the treasurer with the same
25 authority and subject to the same restrictions as the Louisiana Education Quality
26 Trust Fund. However, the portion of monies in the Millennium Trust which may be
27 invested in stock may be increased to no more than fifty percent by a specific
28 legislative instrument which receives a favorable vote of two-thirds of the elected
29 members of each house of the legislature. The legislature shall provide for

1 procedures for the investment of such monies by law. The treasurer may contract,
2 subject to the approval of the State Bond Commission, for the management of such
3 investments and, if a contract is entered into, amounts necessary to pay the costs of
4 the contract shall be appropriated from the Millennium Trust.

5 (C) Appropriations. (1)(a) Appropriations from the Education 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 allocated as provided by Paragraph (A) of this Section and as recognized by
9 the Revenue Estimating Conference. Amounts determined to be available for
10 appropriation shall be those aggregate investment earnings which are in excess of an
11 inflation factor as determined by the Revenue Estimating Conference. The amount
12 of realized capital gains on investment which may be included in the aggregate
13 earnings available for appropriation in any year shall not exceed the aggregate of
14 earnings from interest and dividends for that year.

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

20 (ii)(b)(i) For Fiscal Year 2012-2013, and each fiscal year thereafter,
21 appropriations from the Health Excellence Fund shall be limited to an annual amount
22 not to exceed the estimated aggregate annual earnings from interest, dividends, and
23 realized capital gains on investment of the trust and credited to the Health Excellence
24 Fund as provided by Subsubparagraph (A)(2)(b) of this Section and as recognized
25 by the Revenue Estimating Conference and the amount of proceeds credited to and
26 deposited into the Health Excellence Fund as provided by Subsubparagraph (A)(2)(c)
27 of this Section.

28 ~~(c)(i) For Fiscal Year 2011-2012, appropriations from the TOPS Fund shall~~
29 ~~be limited to the amount of Settlement Agreement proceeds credited to and deposited~~

1 ~~into the TOPS Fund as provided by Subsubparagraphs (A)(4)(b) and (c) of this~~
2 ~~Section, and an annual amount not to exceed the estimated aggregate annual earnings~~
3 ~~from interest, dividends, and realized capital gains on investment of the trust and~~
4 ~~credited to the TOPS Fund as provided by Subsubparagraph (A)(4)(b) of this Section~~
5 ~~and as recognized by the Revenue Estimating Conference.~~

6 ~~(ii)(c)(i)~~ For Fiscal Year 2012-2013, and each fiscal year thereafter,
7 appropriations from the TOPS Fund shall be limited to the amount of annual
8 Settlement Agreement proceeds credited to and deposited into the TOPS Fund as
9 provided in Subsubparagraph (A)(4)(b) of this Section, and an annual amount not to
10 exceed the estimated aggregate annual earnings from interest, dividends, and realized
11 capital gains on investment of the trust and credited to the TOPS Fund as provided
12 in Subsubparagraph (A)(4)(b) of this Section and as recognized by the Revenue
13 Estimating Conference.

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

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

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

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

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

6 (3) Appropriations from the Education Excellence Fund shall be limited as
7 follows:

8 (a) Fifteen percent of monies available for appropriation in any fiscal year
9 from the Education Excellence Fund shall be appropriated to the state superintendent
10 of education for distribution on behalf of all children attending private elementary
11 and secondary schools that have been approved by the State Board of Elementary
12 and Secondary Education, both academically and as required for such school to
13 receive money from the state.

14 (b) Appropriations shall be made each year to the Louisiana School for the
15 Deaf, the Louisiana School for the Visually Impaired, the Louisiana Special
16 Education Center in Alexandria, the Louisiana School for Math, Science and the
17 Arts, the New Orleans Center for Creative Arts and the Louis Armstrong High
18 School for the Arts, after such schools are operational, to provide for a payment to
19 each school of seventy-five thousand dollars plus an allocation for each pupil equal
20 to the average statewide per pupil amount provided each city, parish, and local
21 school system pursuant to Subsubparagraphs (d) and (e) of this Subparagraph.

22 (c) Appropriations may be made for independent public schools which have
23 been approved by the State Board of Elementary and Secondary Education or any
24 city, parish, or other local school system and for alternative schools and programs
25 which are authorized and approved by the State Board of Elementary and Secondary
26 Education but are not subject to the jurisdiction and management of any city, parish,
27 or local school system, to provide for an allocation for each pupil, which shall be the
28 average statewide per pupil amount provided in each city, parish, or local school
29 system pursuant to Subsubparagraphs (d) and (e) of this Subparagraph.

1 ~~(d)~~ Beginning Fiscal Year 2000-2001 and for each fiscal year through the
2 end of Fiscal Year 2006-2007, of the monies available for appropriation after
3 providing for the purposes enumerated in Subsubparagraphs (a), (b), and (c) of this
4 Subparagraph, the following appropriations shall be made to the state superintendent
5 of education for distribution as follows:

6 ~~(i)~~ Thirty percent of the funds available to be divided equally among each
7 city, parish, and other local school system.

8 ~~(ii)~~ Seventy percent of the funds available to be divided among each city,
9 parish, and other local school system in amounts which are proportionate to each
10 school's share of the total state share of the Minimum Foundation Program
11 appropriation as contained in the most recent Minimum Foundation Program budget
12 letter approved by the State Board of Elementary and Secondary Education.

13 ~~(e)~~(d) Beginning Fiscal Year 2007-2008 and for each fiscal year thereafter,
14 of the monies available for appropriation after providing for the purposes enumerated
15 in Subsubparagraphs (a), (b), and (c) of this Subparagraph, one hundred percent of
16 the monies available for appropriation in any fiscal year shall be appropriated for
17 each city, parish, and other local school system on a pro rata basis which is based on
18 the ratio of the student population of that school or school system to that of the total
19 state student population as contained in the most recent Minimum Foundation
20 Program.

21 ~~(f)~~(e) Monies appropriated pursuant to this Subparagraph shall be restricted
22 to expenditure for pre-kindergarten through twelfth grade instructional enhancement
23 for students, including early childhood education programs focused on enhancing the
24 preparation of at-risk children for school, remedial instruction, and assistance to
25 children who fail to achieve the required scores on any tests passage of which are
26 required pursuant to state law or rule for advancement to a succeeding grade or other
27 educational programs approved by the legislature. Expenditures for maintenance or
28 renovation of buildings, capital improvements, and increases in employee salaries

1 are prohibited. The state superintendent of education shall be responsible for
2 allocating all money due private schools.

3 ~~(g)~~(f) Each recipient school or school system shall annually prepare and
4 submit to the state Department of Education, hereinafter the "department", a
5 prioritized plan for expenditure of funds it expects to receive in the coming year
6 from the Education Excellence Fund. The plan shall include performance
7 expectations to ensure accountability in the expenditure of such monies. The
8 department shall review such plans for compliance with the requirements of this
9 Subparagraph and to assure that the expenditure plans will support excellence in
10 educational practice. No funds may be distributed to any school or school system
11 until its plan has received both legislative and departmental approval as provided by
12 law.

13 ~~(h)~~(g) No amount appropriated as required in this Paragraph shall displace,
14 replace, or supplant appropriations from the general fund for elementary and
15 secondary education, including implementing the Minimum Foundation Program.
16 This Subsubparagraph shall mean that no appropriation for any fiscal year from the
17 Education Excellence Fund shall be made for any purpose for which a general fund
18 appropriation was made in the previous year unless the total appropriations for the
19 fiscal year from the state general fund for such purpose exceed general fund
20 appropriations of the previous year. Nor shall any money allocated to a city or parish
21 school board pursuant to this Paragraph displace, replace, or supplant locally
22 generated revenue, which means that no allocation to any city or parish school board
23 from the investment earnings attributable to the Education Excellence Fund shall be
24 expended for any purpose for which a local revenue source was expended for that
25 purpose for the previous year unless the total of the local revenue amount expended
26 that fiscal year exceeds the total of such local revenue amounts for the previous
27 fiscal year.

28 ~~(i)~~(h) The treasurer shall maintain within the state treasury a record of the
29 amounts appropriated and credited for each entity through appropriations authorized

1 in this Subparagraph and which remain in the state treasury. Notwithstanding any
2 other provisions of this constitution to the contrary, such amounts, and investment
3 earnings attributable to such amounts, shall remain to the credit of each recipient
4 entity at the close of each fiscal year.

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

8 §10.9. Louisiana Fund

9 Section 10.9. Louisiana Fund

10 (A) The Louisiana Fund is established in the state treasury as a special fund.
11 After allocation of money to the Bond Security and Redemption Fund as provided
12 in Article VII, Section 9(B) of this constitution, the treasurer shall deposit in and
13 credit to the Louisiana Fund all remaining monies received as a result of the
14 Settlement Agreement after deposits into the Millennium Trust as provided in
15 Section 10.8 of this Article, and all interest income on the investment of monies in
16 the Louisiana Fund. Monies in the Louisiana Fund shall be invested by the treasurer
17 in the same manner as the state general fund.

18 (B) Appropriations from the Louisiana Fund shall be restricted to the
19 following purposes:

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

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

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

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

27 (2) Initiatives to benefit the citizens of Louisiana with respect to health care
28 through pursuit of innovation in advanced health care sciences, provision of

1 comprehensive chronic disease management services, and expenditures for capital
2 improvements for state health care facilities.

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

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

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

12 §10.10. Millennium Leverage Fund

13 Section 10.10. Millennium Leverage Fund

14 (A) Millennium Leverage Fund. Notwithstanding the provisions of Article
15 VII, Sections 10.8 and 10.9 of this constitution, the legislature may provide, by
16 passage of a specific legislative instrument by a favorable vote of two-thirds of the
17 elected members of each house of the legislature, for the deposit of all or a portion
18 of monies received by the state as a result of the Master Settlement Agreement,
19 hereinafter the "Settlement Agreement", executed November 23, 1998, and approved
20 by Consent Decree and Final Judgment entered in the case "Richard P. Ieyoub,
21 Attorney General, ex rel. State of Louisiana v. Philip Morris, Incorporated, et al.",
22 bearing Number 98-6473 on the docket of the Fourteenth Judicial District for the
23 parish of Calcasieu, state of Louisiana; after satisfying the requirements of Article
24 VII, Section 9(B) of this constitution, into the Millennium Leverage Fund which is
25 hereby established as a special permanent trust fund in the state treasury. The
26 Millennium Leverage Fund shall hereinafter be referred to as the "Leverage Fund".

27 (B) Investment. Monies deposited in the Leverage Fund shall be invested
28 and administered by the treasurer. Notwithstanding any provision of this constitution
29 to the contrary, a portion of the monies in the Leverage Fund, not to exceed fifty

1 percent, may be invested in stock. The legislature shall provide for the procedure for
2 the investment of such monies by law. The treasurer shall contract, subject to
3 approval of the State Bond Commission, for the management of such investments.
4 The monies in the Leverage Fund shall be available for appropriation to pay
5 expenses incurred in the investment and management of monies in the fund.

6 (C) Revenue Bonds. The State Bond Commission, or its successor, may
7 issue and sell bonds, notes, or other obligations, hereinafter the "bonds" secured by
8 a pledge of a portion of the monies received by the state as a result of the Settlement
9 Agreement which are otherwise to be deposited in the Leverage Fund as provided
10 in this Section. Such bonds may be issued only in amounts authorized by the
11 legislature by two-thirds of the elected members of each house of the legislature. If
12 settlement revenues are pledged to secure any revenue bonds issued pursuant to this
13 Section, any portion thereof needed to pay principal, interest, or premium, if any, and
14 other obligations incident to the issuance, security, prepayment, defeasance, and
15 payment in respect thereof may be expended by the treasurer without the need for an
16 appropriation, provided that the prepayment or defeasance has been approved by the
17 legislature. Bonds so issued may also be further secured by a collateralization of all
18 or a portion of monies in the Leverage Fund. If bonds are issued subject to such a
19 collateralization, the treasurer may pay from the Leverage Fund any principal,
20 interest, or premium, if any, and other obligations incident to the issuance, security,
21 prepayment, defeasance, and payment in respect thereof without the need for an
22 appropriation, provided that the prepayment or defeasance has been approved by the
23 legislature. The net proceeds of any bonds issued pursuant to this Section shall be
24 deposited in and credited to the Leverage Fund. ~~Any revenue bonds issued under~~
25 ~~authority of this Section shall not be general obligation bonds secured by the full~~
26 ~~faith and credit of the state.~~

27 (D) Appropriations. (1) The legislature may annually appropriate the bond
28 proceeds credited to the Leverage Fund and all earnings, income, and realized capital
29 gains on investment of monies in the Leverage Fund as recognized as available for

1 appropriation in the official forecast of the Revenue Estimating Conference. The
2 Revenue Estimating Conference shall include in its forecast of monies available for
3 appropriation only that amount of earnings, income, and realized capital gains which
4 are in excess of inflation as determined by the conference.

5 (2) Appropriations may be made only for the following purposes:

6 (a) Twenty-five percent shall be available for appropriation for the purposes
7 as provided in the TOPS Fund.

8 (b) Twenty-five percent shall be available for appropriation for the purposes
9 as provided in the Health Excellence Fund.

10 (c) Twenty-five percent shall be available for appropriation as provided in
11 the Education Excellence Fund.

12 (d) Twenty-five percent shall be available for appropriation as provided in
13 the Louisiana Fund.

14 (e) The amounts available for appropriation for each of the purposes
15 contained in Subparagraphs (a) through (c) of this Paragraph may be increased, and
16 the amount available for appropriation for the purposes of Subsubparagraph (d) may
17 be decreased by a specific legislative instrument which receives a favorable vote of
18 two-thirds of the elected members of each house of the legislature.

19 (E) Termination. The legislature may, by passage of a specific legislative
20 instrument by a favorable vote of two-thirds of the elected members of each house
21 of the legislature, provide for the termination of deposits to the Leverage Fund. Any
22 such termination shall be made in such a manner so as to not impair the obligation,
23 validity, or security of any bonds issued under the authority of this Section. Upon
24 termination, the amount of any settlement revenues over and above the amount
25 pledged for security of any bonds issued pursuant to the authority granted in this
26 Section, shall be deposited in and credited as provided in Article VII, Sections 10.8
27 and 10.9 of this Constitution.

28 §10.11. Artificial Reef Development Fund

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

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

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

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

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

20 (3) An amount not to exceed ten percent of the monies 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 in association with the wild seafood
23 certification program, particularly in support of wild-caught shrimp, established by
24 the department. Such funding may be used for a subsidy granted to seafood
25 harvesters or processors to assist in their efforts to comply with the certification
26 program requirements and may be used for administration of the program.

27 (4) An amount not to exceed ten percent of the funds deposited to the fund
28 each year and ten percent of the interest income credited to the fund each year may
29 be used by the department to provide funding for inshore fisheries habitat

1 enhancement projects, particularly in support of the Artificial Reef Development
2 Program established by the department. Such funding may be used for grants to
3 nonprofit conservation organizations working in cooperation with the department.

4 (D) All unexpended and unencumbered monies in the Artificial Reef
5 Development Fund at the end of the fiscal year shall remain in the fund. The monies
6 in the fund shall be invested by the treasurer in the manner provided by law. All
7 interest earned on monies invested by the treasurer shall be deposited in the fund.
8 The treasurer shall prepare and submit to the department on a quarterly basis a
9 written report showing the amount of money contained in the fund from all sources.

10 §10.12. Farmers and fishermen assistance programs; Agricultural and Seafood
11 Products Support Fund

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

14 (B)(1) The Agricultural and Seafood Products Support Fund is hereby
15 established in the state treasury as a special fund, hereinafter referred to as the
16 "fund". The source of monies in this fund shall be any monies received by the state
17 from the licensing of trademarks or labels for use in promoting Louisiana
18 agricultural and seafood products; grants, gifts, and donations received by the state
19 for the purposes of this Section; any other revenues as may be provided by law; and
20 other monies which may be appropriated by the legislature to the fund. After
21 compliance with the requirements of Article VII, Section 9(B) of this constitution
22 relative to the Bond Security and Redemption Fund, and prior to monies being
23 placed in the state general fund, an amount equal to that deposited into the state
24 treasury from the foregoing sources shall be deposited in and credited to the fund.
25 Monies in the fund shall be subject to appropriation in accordance with Paragraph
26 (2) of this ~~Section~~ Subparagraph. All unexpended and unencumbered monies
27 remaining in the fund at the end of the fiscal year shall remain in the fund. The
28 monies in the fund shall be invested by the state treasurer in the same manner as
29 monies in the state general fund.

1 (2) The monies in the Agricultural and Seafood Products Support Fund may
2 be appropriated solely for the programs and purposes as required by the Department
3 of Economic Development for assistance to Louisiana farmers and fishermen with
4 support and expansion of their industries.

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

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

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

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

26 (b) Each formula shall also include and establish assessments to be paid by
27 hospitals and the basis on which such assessments shall be calculated, provided the
28 amount of the assessments does not exceed the nonfederal share of the
29 reimbursement enhancements.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 §10.14. Louisiana Medical Assistance Trust Fund

27 (A) There is hereby established as a special fund in the state treasury the
28 Louisiana Medical Assistance Trust Fund, hereinafter referred to as "the fund",
29 which shall consist of monies generated by fees as provided for in law. Subject to

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

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

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

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

27 (E)(1) The legislature shall annually appropriate the funds necessary to
28 provide for Medicaid Program rates for each provider group which pays fees into the
29 fund that is no less than the average Medicaid Program rates established for Fiscal

1 Year 2013-2014 and which may be adjusted annually by establishing the rates of
2 inflation, or rebasing if applicable, which rates shall not be negative, to be applied
3 to the base rates to establish the new base rates for the next fiscal year as authorized
4 by law. For the purpose of this Section, "Medicaid Program" shall refer to the
5 Louisiana medical assistance program provided for in Title XIX of the Social
6 Security Act, or its successor.

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

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

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

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

19 §10.15. Revenue Stabilization Trust Fund

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

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

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

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

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

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

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

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

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

18 (ii) Transportation infrastructure.

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

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

28 §10.16. Dedications of Mineral Revenues

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (13) ~~An amount equal to the state general fund deposited into~~ To 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 §10.17. State Cybersecurity and Information Technology Infrastructure Fund

11 Section 10.17. State Cybersecurity and Information Technology Infrastructure Fund.

12 (A) The State Cybersecurity and Information Technology Infrastructure
13 Fund is hereby established in the state treasury as a special fund, hereinafter referred
14 to as the "fund". After allocation of money to the Bond Redemption and Security
15 Fund as provided in Article VII, Section 9(B) of this constitution, the treasurer shall
16 deposit in and credit to the fund the revenues as provided for in Paragraph (B) of this
17 Section.

18 (B)(1) Except as provided in Subparagraph (2) of this Paragraph, the
19 treasurer shall deposit forty-five thousandths of all money available for appropriation
20 from the state general fund.

21 (2) Monies in the state general fund received by the state or by any state
22 board, agency, or commission, but pledged in connection with issuance of bonds
23 shall not be deposited in the fund.

24 (3) All unexpended and unencumbered monies in the fund at the end of the
25 fiscal year shall remain in the fund. Monies deposited into the fund shall be
26 permanently credited to the fund and shall be invested by the treasurer in a manner
27 provided for by law and any earnings realized on investment of money in the fund
28 shall be deposited in and credited to the fund.

1 (4) The legislature may authorize changes to this Paragraph regarding the
2 rate of dedicated revenue and source of the funds but only by enactment of a law by
3 a vote of the elected members of each house of the legislature.

4 (C)(1) Appropriations from the State Cybersecurity and Information
5 Technology Infrastructure Fund shall be expended solely for support of projects to
6 enhance or upgrade the state's information technology infrastructure or cybersecurity
7 needs.

8 (2) The legislature may authorize the creation and establishment of a
9 committee to assist in the consideration of priorities for the funding of cybersecurity
10 and information technology infrastructure projects through appropriations of the
11 fund with the consent of a majority of the elected members of each house of the
12 legislature.

13 §11. Budgets

14 Section 11.(A) Budget Estimate. The governor shall submit to the
15 legislature, at the time and in the form fixed by law, a budget estimate for the next
16 fiscal year setting forth all proposed state expenditures. This budget shall include
17 a recommendation for appropriations from the state general fund and from dedicated
18 funds, except funds allocated by Article VII, Section 4, Paragraphs (D) and (E),
19 which shall not exceed the official forecast of the Revenue Estimating Conference
20 and the expenditure limit for the fiscal year. The recommendation shall also comply
21 with the provisions of Article VII, Section 10(D). This budget shall include a
22 recommendation for funding of state salary supplements for full-time law
23 enforcement and fire protection officers of the state, as provided in Article VII,
24 Section 10(D)(3) of this constitution.

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

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

20 §12. Reports and Records

21 Section 12. Reports and records of the collection, expenditure, investment,
22 and use of state money and those relating to state obligations shall be matters of
23 public record, except returns of taxpayers and matters pertaining to those taxpayer
24 returns.

25 §13. Investment of State Funds

26 Section 13. All money in the custody or control of the state treasurer which
27 is available for investment shall be invested as provided by law.

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

1 Section 14.(A) Prohibited Uses. Except as otherwise provided by this
2 constitution, the funds, credit, property, or things of value of the state ~~or of any~~
3 ~~political subdivision~~ shall not be loaned, pledged, or donated to or for any person,
4 association, or corporation, public or private. Except as otherwise provided in this
5 Section, neither the state nor a political subdivision shall subscribe to or purchase the
6 stock of a corporation or association or for any private enterprise.

7 (B) Authorized Uses. Nothing in this Section shall prevent (1) the use of
8 public funds for programs of social welfare for the aid and support of the needy; (2)
9 contributions of public funds to pension and insurance programs for the benefit of
10 public employees; (3) the pledge of public funds, credit, property, or things of value
11 for public purposes with respect to the issuance of bonds or other evidences of
12 indebtedness to meet public obligations as provided by law; (4) the return of
13 property, including mineral rights, to a former owner from whom the property had
14 previously been expropriated, or purchased under threat of expropriation, when the
15 legislature by law declares that the public and necessary purpose which originally
16 supported the expropriation has ceased to exist and orders the return of the property
17 to the former owner under such terms and conditions as specified by the legislature;
18 (5) acquisition of stock by any institution of higher education in exchange for any
19 intellectual property; (6) the donation of abandoned or blighted housing property by
20 the governing authority of a municipality or a parish to a nonprofit organization
21 which is recognized by the Internal Revenue Service as a 501(c)(3) or 501(c)(4)
22 nonprofit organization and which agrees to renovate and maintain such property until
23 conveyance of the property by such organization; (7) the deduction of any tax,
24 interest, penalty, or other charges forming the basis of tax liens on blighted property
25 so that they may be subordinated and waived in favor of any purchaser who is not
26 a member of the immediate family of the blighted property owner or which is not
27 any entity in which the owner has a substantial economic interest, but only in
28 connection with a property renovation plan approved by an administrative hearing
29 officer appointed by the parish or municipal government where the property is

1 located; (8) the deduction of past due taxes, interest, and penalties in favor of an
2 owner of a blighted property, but only when the owner sells the property at less than
3 the appraised value to facilitate the blighted property renovation plan approved by
4 the parish or municipal government and only after the renovation is completed such
5 deduction being canceled, null and void, and to no effect in the event ownership of
6 the property in the future reverts back to the owner or any member of his immediate
7 family; (9) the donation by the state of asphalt which has been removed from state
8 roads and highways to the governing authority of the parish or municipality where
9 the asphalt was removed, or if not needed by such governing authority, then to any
10 other parish or municipal governing authority, but only pursuant to a cooperative
11 endeavor agreement between the state and the governing authority receiving the
12 donated property; (10) the investment in stocks of a portion of the Rockefeller
13 Wildlife Refuge Trust and Protection Fund, created under the provisions of ~~R.S.~~
14 ~~56:797~~ of law, and the Russell Sage or Marsh Island Refuge Fund, created under the
15 provisions of ~~R.S. 56:798~~ of law, such portion not to exceed thirty-five percent of
16 each fund; (11) the investment in stocks of a portion of the state-funded permanently
17 endowed funds of a public or private college or university, not to exceed thirty-five
18 percent of the public funds endowed; (12) the investment in equities of a portion of
19 the Medicaid Trust Fund for the Elderly created under the provisions of R.S. 46:2691
20 et seq., such portion not to exceed thirty-five percent of the fund; (13) the investment
21 of public funds to capitalize a state infrastructure bank and the loan, pledge, or
22 guarantee of public funds by a state infrastructure bank solely for transportation
23 projects; or (14) pursuant to a written agreement, the donation of the use of public
24 equipment and personnel by a political subdivision upon request to another political
25 subdivision for an activity or function the requesting political subdivision is
26 authorized to exercise.

27 (C) Cooperative Endeavors. For a public purpose, the state and its political
28 subdivisions or political corporations may engage in cooperative endeavors with

1 each other, with the United States or its agencies, or with any public or private
2 association, corporation, or individual.

3 (D) Prior Obligations. Funds, credit, property, or things of value of the state
4 or of a political subdivision heretofore loaned, pledged, dedicated, or granted by
5 prior state law or authorized to be loaned, pledged, dedicated, or granted by the prior
6 laws and constitution of this state shall so remain for the full term as provided by the
7 prior laws and constitution and for the full term as provided by any contract, unless
8 the authorization is revoked by law enacted by two-thirds of the elected members of
9 each house of the legislature prior to the vesting of any contractual rights pursuant
10 to this Section.

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

14 §15. Release of Obligations to State, Parish, or Municipality

15 Section 15. The legislature shall have no power to release, extinguish, or
16 authorize the releasing or extinguishing of any indebtedness, liability, or obligation
17 of a corporation or individual to the state, a parish, or a municipality, except as
18 provided by law. ~~However, the~~ The legislature, by law, may establish a system
19 under which claims by the state or a political subdivision may be compromised, and
20 may provide for the release of heirs to confiscated property from taxes due thereon
21 at the date of its reversion to them.

22 §16. Taxes; Prescription

23 Section 16. Taxes, ~~except~~ excluding real property taxes, and licenses shall
24 prescribe in three years after the thirty-first day of December in the year in which
25 they are due, but prescription may be interrupted or suspended as provided by law.

26 §17. Legislation to Obtain Federal Aid

27 Section 17. The legislature may enact laws to enable the state, its
28 governmental entities, agencies, boards, commissions, and political subdivisions and

1 their agencies to comply with federal laws and regulations in order to secure federal
2 participation in funding capital improvement projects.

3 PART II. PROPERTY TAXATION

4 §18. Ad Valorem Taxes

5 Section 18.(A) Assessments. Property subject to ad valorem taxation shall
6 be listed on the assessment rolls at its assessed valuation, which, except as provided
7 in Paragraphs (C), (F), and (G), shall be a percentage of its fair market value. The
8 percentage of fair market value shall be uniform throughout the state upon the same
9 class of property.

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

Classifications	Percentages
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%

19 shall be established by law, which shall include provisions to ensure the equitable
20 assessment of properties statewide, and which shall be enacted by a specific
21 legislative instrument which receives a favorable vote of two-thirds of the elected
22 members of each house of the legislature. The legislature may enact laws defining
23 electric cooperative properties and public service properties.

24 (2) The total amount of ad valorem taxes collected by any taxing authority
25 in the first tax year which begins after an enactment by the legislature that changes
26 the classifications of or fair market values for property assessments shall not be
27 increased or decreased, as a result of the enactment, above or below the amount of
28 ad valorem taxes collected in the year preceding the enactment. To accomplish this
29 result, it shall be mandatory for each affected taxing authority to adjust millages

1 upwards or downwards without regard to millage limitations otherwise contained in
2 this constitution. The maximum authorized millages shall be increased or decreased
3 in proportion to the amount of adjustment upward or downward. Thereafter, such
4 millages shall remain in effect unless changed as permitted by this constitution. In
5 no way shall the provisions of this Subparagraph be interpreted to affect the
6 imposition and collection of revenue from a new millage or the renewal of a millage.

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

11 (D) Valuation. Each assessor shall determine the fair market value of all
12 property subject to taxation within his respective parish or district except public
13 service properties, which shall be valued at fair market value by the Louisiana Tax
14 Commission or its successor. Each assessor shall determine the use value of
15 property which is to be so assessed under the provisions of Paragraph (C). Fair
16 market value and use value of property shall be determined in accordance with
17 criteria which shall be established by law and which shall apply uniformly
18 throughout the state.

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

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

25 (2)(a) In the year of implementation of a reappraisal as required in
26 Subparagraph (1) of this Paragraph, solely for purposes of determining the ad
27 valorem tax imposed on residential property subject to the homestead exemption as
28 provided in Section 20 of this Article, if the assessed value of immovable property
29 increases by an amount which is greater than fifty percent of the property's assessed

1 value in the previous year, the collector shall phase-in the additional tax liability
2 resulting from the increase in the property's assessed value over a four-year period
3 as follows:

4 (i) For purposes of calculating the ad valorem taxes on the property in the
5 first levy following reappraisal, the collector shall use the property's assessed value
6 from the previous year, which shall be called the base amount as used in this
7 Subparagraph, and shall increase the portion of the assessed value of the property
8 used to calculate ad valorem taxes by adding an amount which is equal to one-fourth
9 of the amount of the increase in the property's assessed value as a result of the
10 reappraisal to the base amount. This resulting amount shall constitute the property's
11 taxable value and shall be used solely for purposes of calculating ad valorem taxes
12 for that taxable year.

13 (ii) For purposes of calculating the ad valorem taxes on the property in the
14 second levy following reappraisal, the collector shall increase the portion of the
15 assessed value of the property used to calculate ad valorem taxes by adding an
16 amount which is equal to one-half of the amount of the increase in the property's
17 assessed value as a result of the reappraisal to the base amount. This resulting
18 amount shall constitute the property's taxable value and shall be used solely for
19 purposes of calculating ad valorem taxes for that taxable year.

20 (iii) For purposes of calculating the ad valorem taxes on the property in the
21 third levy following reappraisal, the collector shall increase the portion of the
22 assessed value of the property used to calculate ad valorem taxes by adding an
23 amount which is equal to three-quarters of the amount of the increase in the
24 property's assessed value as a result of the reappraisal to the base amount. This
25 resulting amount shall constitute the property's taxable value and shall be used solely
26 for purposes of calculating ad valorem taxes for that taxable year.

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

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

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

9 (d) Notwithstanding any provision of this constitution to the contrary, the
10 increase in assessed valuation of property phased-in under this Subparagraph shall
11 be included as taxable property for purposes of any subsequent reappraisals and
12 valuation for millage adjustment purposes under Article VII, Section 23(B) of this
13 constitution. The decrease in the total amount of ad valorem tax collected by a
14 taxing authority as a result of this phase-in of assessed valuation shall be absorbed
15 by the taxing authority and shall not create any additional tax liability for other
16 taxpayers in the taxing district as a result of any subsequent reappraisal and valuation
17 or millage adjustment. Implementation of this phase-in of increase in assessed
18 valuation authorized in this Subparagraph shall neither trigger nor be cause for a
19 reappraisal of property or an adjustment of millages pursuant to the provisions of
20 Article VII, Section 23(B) of this constitution.

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

23 (G) Special Assessment Level.

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

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

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

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

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

12 (ii) Any person or persons shall be prohibited from receiving the special
13 assessment as provided in this Section if such person's or persons' adjusted gross
14 income, as reported in the federal tax return for the year prior to the application for
15 the special assessment, exceeds fifty thousand dollars. For persons applying for the
16 special assessment whose filing status is married filing separately, the adjusted gross
17 income for purposes of this Section shall be determined by combining the adjusted
18 gross income on both federal tax returns. Beginning for the tax year 2001, and for
19 each tax year thereafter, the fifty thousand dollar limit shall be adjusted annually by
20 the Consumer Price Index as reported by the United States Government.

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

26 (iv) An owner who is below the age of sixty-five and who has applied for
27 and received the special assessment level may qualify for and receive the special
28 assessment level in the subsequent year by certifying to the assessor of the parish,
29 or in the parish of Orleans, the assessor of the district where the property is located,

1 that such person or persons' adjusted gross income in the prior tax year satisfied the
2 income requirement of this Section. The provisions of this Subsubparagraph (a)(iv)
3 shall not apply to an owner who has qualified for and received the special assessment
4 level for persons sixty-five years of age or older or to such owner's surviving spouse
5 as described in Subsubparagraph (a)(i) of this Subparagraph.

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

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

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

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

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

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

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

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

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

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

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

9 (5)(a) Any owner entitled to the special assessment level set forth in this
10 Paragraph who is unable to occupy the homestead on or before December thirty-first
11 of a future calendar year due to damage or destruction of the homestead caused by
12 a disaster or emergency declared by the governor shall be entitled to keep the special
13 assessment level of the homestead prior to its damage or destruction on the repaired
14 or rebuilt homestead provided the repaired or rebuilt homestead is reoccupied by the
15 owner within five years from December thirty-first of the year following the disaster.
16 The assessed value of the land and buildings on which the homestead was located
17 prior to its damage shall not be increased above its assessed value immediately prior
18 to the damage or destruction described in this Subsubparagraph. If the property
19 owner receives a homestead exemption on another homestead during the same five-
20 year period, the damaged or destroyed property shall not be entitled to keep the
21 special assessment level, and the land and buildings shall be assessed in that year at
22 the percentage of fair market value set forth in this constitution. In addition, the
23 owner shall also maintain the homestead exemption set forth in Article VII, Section
24 20(A)(10) to qualify for the special assessment level in this Subsubparagraph.

25 (b) Any owner entitled to the special assessment level set forth in
26 Subsubparagraph (a) of this Subparagraph who is unable to reoccupy his homestead
27 within five years from December thirty-first of the year following the disaster shall
28 be eligible for an extension of the special assessment level on the homestead for a
29 period not to exceed two years. A homeowner shall be eligible for this extension

1 only if the homeowner's damage claim is filed and pending in a formal appeal
 2 process with any federal, state, or local government agency or program offering
 3 grants or assistance for repairing or rebuilding damaged or destroyed homes as a
 4 result of the disaster, or if a homeowner has a damage claim filed and pending
 5 against the insurer of the property. The homeowner shall apply for this extension of
 6 the special assessment level with the assessor of the parish in which the homestead
 7 is located. The assessor shall require the homeowner to provide official
 8 documentation from the government agency or program evidencing the homeowner's
 9 participation in the formal appeal process or official documentation evidencing the
 10 homeowner has a damage claim filed and pending against the insurer of the damaged
 11 property, as provided by law.

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

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

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

22 §19. State Property Taxation; Rate Limitation

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

25 §20. Homestead Exemption

26 Section 20.(A) Homeowners.

27 (1) The bona fide homestead, consisting of a tract of land or two or more
 28 tracts of land even if the land is classified and assessed at use value pursuant to
 29 Article VII, Section 18(C) of this constitution, with a residence on one tract and a

1 field with or without timber on it, pasture, or garden on the other tract or tracts, not
2 exceeding one hundred sixty acres, buildings and appurtenances, whether rural or
3 urban, owned and occupied by any person or persons owning the property in
4 indivision, shall be exempt from state, parish, and special ad valorem taxes to the
5 extent of seven thousand five hundred dollars of the assessed valuation. The same
6 homestead exemption shall also fully apply to the primary residence, including a
7 mobile home, which serves as a bona fide home and which is owned and occupied
8 by any person or persons owning the property in indivision, regardless of whether
9 the homeowner owns the land upon which the home or mobile home is sited;
10 however, this homestead exemption shall not apply to the land upon which such
11 primary residence is sited if the homeowner does not own the land.

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

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

27 (4) The homestead exemption shall extend to property where the usufruct of
28 the property has been granted to no more than two usufructuaries who were the
29 immediate prior owners of the homestead and the homestead is occupied as such by

1 a usufructuary. The provisions of this Subparagraph shall apply only to property
2 which qualified for the homestead exemption immediately prior to the granting of
3 such usufruct, or which would have qualified for the homestead exemption if such
4 usufruct had not been granted.

5 (5) The homestead exemption shall extend only to a natural person or
6 persons and to a trust created by a natural person or persons, in which the
7 beneficiaries of the trust are a natural person or persons provided that the provisions
8 of this Paragraph are otherwise satisfied.

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

12 (7) No homestead exemption shall be granted on bond for deed property.
13 However, any homestead exemption granted prior to June 20, 2003 on any property
14 occupied upon the effective date of this Paragraph* by a buyer under a bond for deed
15 contract shall remain valid as long as the circumstances giving rise to the exemption
16 at the time the exemption was granted remain applicable.

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

20 (9) This exemption shall not extend to municipal taxes. However, the
21 exemptions shall apply (a) in Orleans Parish, to state, general city, school, levee, and
22 levee district taxes and (b) to any municipal taxes levied for school purposes.

23 (10)(a) Any homestead receiving the homestead exemption that is damaged
24 or destroyed during a disaster or emergency declared by the governor whose owner
25 is unable to occupy the homestead on or before December thirty-first of a calendar
26 year due to such damage or destruction shall be entitled to claim and keep the
27 exemption by filing an annual affidavit of intent to return and reoccupy the
28 homestead within five years from December thirty-first of the year following the
29 disaster with the assessor within the parish or district where such homestead is

1 situated prior to December thirty-first of the year in which the exemption is claimed.

2 In no event shall more than one homestead exemption extend or apply to any person
3 in this state.

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

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

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

1 (11)(a) Notwithstanding any provision of this constitution to the contrary,
2 the exemption provided for in this Paragraph shall be effective and applicable unless
3 and until a parish governing authority adopts a resolution or ordinance adjusting the
4 amount of the exemption, which resolution or ordinance shall be effective only if
5 approved by the electors of the parish. Any change in the amount of the exemption
6 shall become effective on the first day of the calendar year following the year in
7 which the change was approved by the electors, and is deemed to be an instance of
8 implementation of the provisions of this Subparagraph.

9 (b) The total amount of ad valorem taxes collected by any taxing authority
10 in any year in which the provisions of this Subparagraph are implemented shall not
11 be increased or decreased as a result of such implementation above or below the
12 amount of ad valorem taxes collected in the year preceding the implementation. To
13 accomplish this result, it shall be mandatory for each affected taxing authority to
14 adjust millages upwards or downwards without regard to millage limitations
15 otherwise contained in this constitution. The maximum authorized millages shall be
16 increased or decreased in proportion to the amount of adjustment upward or
17 downward. Thereafter, such millages shall remain in effect unless changed as
18 permitted by this constitution. In no way shall the provisions of this Subparagraph
19 be interpreted to affect the imposition and collection of revenue from a new millage
20 or the renewal of a millage.

21 §21. Other Property Exemptions

22 Section 21. In addition to the homestead exemption provided for in Section
23 20 of this Article, the following property and no other shall be exempt from ad
24 valorem taxation:

25 (A) Public lands and other public property used for public purposes. Land
26 or property owned by another state or owned by a political subdivision of another
27 state shall not be exempt under this Paragraph.

28 (B)(1)(a)(i) Property owned by a nonprofit corporation or association
29 organized and operated exclusively for religious, dedicated places of burial,

1 charitable, health, welfare, fraternal, or educational purposes, no part of the net
2 earnings of which inure to the benefit of any private shareholder or member thereof
3 and which is declared to be exempt from federal or state income tax; and

4 (ii) medical equipment leased for a term exceeding five years to such a
5 nonprofit corporation or association which owns or operates a small, rural hospital
6 and which uses the equipment solely for health care purposes at the hospital,
7 provided that the property shall be exempt only during the term of the lease to such
8 corporation or association, and further provided that "small, rural hospital" shall
9 mean a hospital which meets all of the following criteria:

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

11 (bb) It is located in a municipality with a population of less than ten
12 thousand which has been classified as an area with a shortage of health manpower
13 by the United States Health Service; and

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

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

26 (3) property of an organization such as a lodge or club organized for
27 charitable and fraternal purposes and practicing the same, and property of a nonprofit
28 corporation devoted to promoting trade, travel, and commerce, and also property of
29 a trade, business, industry or professional society or association, if that property is

1 owned by a nonprofit corporation or association organized under the laws of this
2 state for such purposes.

3 None of the property listed in Paragraph (B) shall be exempt if owned,
4 operated, leased, or used for commercial purposes unrelated to the exempt purposes
5 of the corporation or association.

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;

28 (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) Notwithstanding any contrary provision of this Section, ~~the State Board~~
19 ~~of Commerce and Industry or its successor, with the approval of the governor, may~~
20 ~~enter into contracts for the~~ there is hereby authorized a standard and non-standard
21 exemption from ad valorem taxes ~~of~~ for a new manufacturing establishment or an
22 addition to an existing manufacturing establishment, as follows: ~~on such terms and~~
23 ~~conditions as the board, with the approval of the governor, deems in the best interest~~
24 ~~of the state.~~

25 (1) The standard exemption shall be for ~~an initial~~ a term of ~~no more than five~~
26 ~~seven~~ calendar years, ~~and may be renewed for an additional five years.~~ and shall
27 provide for an ad valorem tax exemption of eighty percent of the property taxes of
28 the manufacturing establishment or an addition to an existing manufacturing
29 establishment. The granting of a standard exemption shall be approved by the Board

1 of Commerce and Industry, or its successor. No additional approval is required for
2 the granting of this exemption, however the legislature may provide for the
3 administration of this exemption in law, subject to a favorable vote of two-thirds of
4 the elected members of each house of the legislature.

5 (2) The non-standard exemption shall be for a term greater than seven
6 calendar years and shall provide for an ad valorem tax exemption greater than eighty
7 percent of the property tax of the manufacturing establishment or an addition to an
8 existing manufacturing establishment. The granting of a non-standard exemption
9 shall be approved by the governor.

10 (3) All applicants seeking an ad valorem tax exemption under this Paragraph
11 shall qualify for the standard exemption, only upon invitation by the governor shall
12 an applicant be eligible to apply for a non-standard ad valorem tax exemption.

13 (4) All property exempted shall be listed on the assessment rolls and
14 submitted to the Louisiana Tax Commission or its successor, but no taxes shall be
15 collected thereon during the period of exemption.

16 (5) The terms "manufacturing establishment" and "addition" as used herein
17 mean a new plant or establishment or an addition or additions to any existing plant
18 or establishment which engages in the business of working raw materials into wares
19 suitable for use or which gives new shapes, qualities or combinations to matter which
20 already has gone through some artificial process.

21 (G) Coal or lignite stockpiled in Louisiana for use in Louisiana for industrial
22 or manufacturing purposes or for boiler fuel, gasification, feedstock, or process
23 purposes.

24 (H) Notwithstanding any contrary provision of this constitution, the State
25 Board of Commerce and Industry or its successor, with the approval of the governor
26 and the local governing authority and in accordance with procedures and conditions
27 provided by law, may enter into contracts granting to a property owner, who
28 proposes the expansion, restoration, improvement, or development of an existing
29 structure or structures in a downtown, historic, or economic development district

1 established by a local governing authority or in accordance with law, the right for an
2 initial term of five years after completion of the work to pay ad valorem taxes based
3 upon the assessed valuation of the property for the year prior to the commencement
4 of the expansion, restoration, improvement, or development. Contracts may be
5 renewed, subject to the same conditions, for an additional five years extending such
6 right for a total of ten years from completion of the work.

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

14 (2) The contract for exemption shall be on such terms and to the extent, up
15 to and including the full assessed valuation of the goods held in inventory, as the
16 economic development authority or district deems in the best interest of the parish.
17 However, prior to entering into each individual contract, the economic development
18 authority or district must request and receive written approval of the contract,
19 including its terms and an estimated fiscal impact, from each affected tax recipient
20 body in the parish, as evidenced by a favorable vote of a majority of the members of
21 the governing authority of the tax recipient body. Failure to receive all required
22 approvals from the tax recipient bodies before entering into a contract shall render
23 the contract null and void and of no effect.

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

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

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

10 (K)(1) On and after January 1, 2015, in addition to the homestead exemption
11 authorized under the provisions of Article VII, Section 20 of this constitution, which
12 applies to the first seven thousand five hundred dollars of the assessed valuation of
13 property, the next seven thousand five hundred dollars of the assessed valuation of
14 property receiving the homestead exemption that is owned and occupied by a veteran
15 with a service-connected disability rating of one hundred percent unemployability
16 or totally disabled by the United States Department of Veterans Affairs shall be
17 exempt from ad valorem taxation. The surviving spouse of a deceased veteran with
18 a service-connected disability rating of one hundred percent unemployability or
19 totally disabled by the United States Department of Veterans Affairs shall be eligible
20 for this exemption if the surviving spouse occupies and remains the owner of the
21 property, whether or not the exemption was in effect on the property prior to the
22 death of the veteran. If property eligible for the exemption provided for in this
23 Paragraph has an assessed value in excess of fifteen thousand dollars, ad valorem
24 property taxes shall apply to the assessment in excess of fifteen thousand dollars.

25 (2) Notwithstanding any provision of this constitution to the contrary, the
26 property assessment of a property for which this exemption has been claimed, to the
27 extent of seven thousand five hundred dollars, shall not be treated as taxable property
28 for purposes of any subsequent reappraisals and valuation for millage adjustment
29 purposes under Article VII, Section 23(B) of this Constitution. The decrease in the

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

8 (3)(a) The exemption provided for in this Paragraph shall extend and apply
9 in a parish only if it is established through an election that shall be called by either
10 an ordinance or a resolution from the parish governing authority. The proposition
11 shall state that the exemption shall extend and apply in the parish and become
12 effective only after the question of its adoption has been approved by a majority of
13 the registered voters of the parish voting in an election held for that purpose.

14 (b) If a parish held an election as provided by this Subparagraph and the
15 electors approved the exemption prior to November 4, 2014, the parish may
16 implement the exemption as amended by the statewide electors on November 4,
17 2014, without holding an additional election.

18 (4) 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 10(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(D)(3)
7 of this Article if he had completed the first year of his employment before his death.

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

11 (ii) The surviving spouse has not remarried.

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

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

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

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

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

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

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

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

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

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

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

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

28 §22. No Impairment of Existing Taxes or Obligations

1 Section 22. This Part shall not be applied in a manner which will ~~(a)~~
2 invalidate taxes authorized and imposed prior to the effective date of this constitution
3 or ~~(b)~~ impair the obligations, validity, or security of any bonds or other debt
4 obligations authorized prior to the effective date of this constitution.

5 §23. Adjustment of Ad Valorem Tax Millages

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

21 ~~(B) Subsequent Adjustments. Except as otherwise permitted in this Section,~~
22 the total amount of ad valorem taxes collected by any taxing authority in the year in
23 which the reappraisal and valuation provisions of Section 18, Paragraph (F) of this
24 Article are implemented shall not be increased or decreased because of a reappraisal
25 or valuation or increases or decreases in the homestead exemption above or below
26 the total amount of ad valorem taxes collected by that taxing authority in the year
27 preceding implementation of the reappraisal and valuation. To accomplish this
28 result, the provisions of millage adjustments relative to implementation of Section
29 18 and Section 20 of this Article, as set forth in Paragraph (A) of this Section shall

1 be mandatory. Thereafter, following implementation of each subsequent reappraisal
2 and valuation required by Paragraph (F) of Section 18 of this Article, the millages
3 as fixed in each such implementation shall remain in effect unless changed as
4 permitted by Paragraph (C) of this Section.

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

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

22 §24. Tax Assessors

23 Section 24.(A) Election; Term. A tax assessor shall be elected by the
24 electors of each parish: ~~His~~ and his term of office shall be four years. His election,
25 duties, and compensation shall be as provided by law.

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

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

4 §25. Tax Sales

5 Section 25.(A) Tax Sales. (1) There shall be no forfeiture of property for
6 nonpayment of taxes. ~~However~~ Notwithstanding any other provision of law, at the
7 expiration of the year in which the taxes are due, the collector, without suit, and after
8 giving notice to the delinquent in the manner provided by law, shall advertise for sale
9 the property on which the taxes are due. The advertisement shall be published in the
10 official journal of the parish or municipality, or, if there is no official journal, as
11 provided by law for sheriffs' sales, in the manner provided for judicial sales. On the
12 day of sale, the collector shall sell the portion of the property which the debtor points
13 out. If the debtor does not point out sufficient property, the collector shall sell
14 immediately the least quantity of property which any bidder ~~will~~ may buy for the
15 amount of the taxes, interest, and costs. The sale shall be without appraisalment. A
16 tax deed by a tax collector shall be prima facie evidence that a valid sale was made.

17 (2) If property located in a municipality with a population of more than four
18 hundred fifty thousand persons as of the most recent federal decennial census fails
19 to sell for the minimum required bid in the tax sale, the collector may offer the
20 property for sale at a subsequent sale with no minimum required bid. The proceeds
21 of the sale shall be applied to the taxes, interest, and costs due on the property, and
22 any remaining deficiency shall be eliminated from the tax rolls.

23 (B) Redemption. (1) The property sold shall be redeemable for three years
24 after the date of recordation of the tax sale, by paying the price given, including
25 costs, five percent penalty thereon, and interest at the rate of one percent per month
26 until redemption.

27 (2) In the city of New Orleans, when such property sold is residential or
28 commercial property which is abandoned property as defined by R.S. 33:4720.12(1)
29 or blighted property as defined by Act 155 of the 1984 Regular Session, it shall be

1 redeemable for eighteen months after the date of recordation of the tax sale by
2 payment in accordance with Subparagraph (1) of this Paragraph.

3 (3) In any parish other than Orleans, when such property sold is vacant
4 residential or commercial property which has been declared blighted, as defined by
5 R.S. 33:1374(B)(1) on January 1, 2013, or abandoned, as defined by R.S.
6 33:4720.59(D)(2) on January 1, 2013, it shall be redeemable for eighteen months
7 after the date of recordation of the tax sale by payment in accordance with
8 Subparagraph (1) of this Paragraph.

9 (C) Annulment. No sale of property for taxes shall be set aside for any
10 cause, except on proof of payment of the taxes prior to the date of the sale, unless the
11 proceeding to annul is instituted within six months after service of notice of sale. A
12 notice of sale shall not be served until the final day for redemption has ended. It
13 must be served within five years after the date of the recordation of the tax deed if
14 no notice is given. The fact that taxes were paid on a part of the property sold prior
15 to the sale thereof, or that a part of the property was not subject to taxation, shall not
16 be cause for annulling the sale of any part thereof on which the taxes for which it
17 was sold were due and unpaid. No judgment annulling a tax sale shall have effect
18 until the price and all taxes and costs are paid, and until ten percent per annum
19 interest on the amount of the price and taxes paid from date of respective payments
20 are paid to the purchaser; however, this shall not apply to sales annulled because the
21 taxes were paid prior to the date of sale.

22 (D) Quieting Tax Title. The manner of notice and form of proceeding to
23 quiet tax titles shall be provided by law.

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

1 If the tax collector can find no corporeal movables of the delinquent to seize,
2 he may levy on incorporeal rights, by notifying the debtor thereof, or he may proceed
3 by summary rule in the courts to compel the delinquent to deliver for sale property
4 in his possession or under his control.

5 (F) Postponement of Taxes. The legislature may postpone the payment of
6 taxes, but only in cases of overflow, general conflagration, general crop destruction,
7 or other public calamity, and may provide for the levying, assessing, and collecting
8 of such postponed taxes. In such case, the legislature may authorize the borrowing
9 of money by the state on its faith and credit, by bond issue or otherwise, and may
10 levy taxes, or apply taxes already levied and not appropriated, to secure payment
11 thereof, in order to create a fund from which loans may be made through the Interim
12 Emergency Board to the governing authority of the parish where the calamity occurs.
13 The money loaned shall be applied to and shall not exceed the deficiency in revenue
14 of the parish or a political subdivision therein or of which the parish is a part, caused
15 by postponement of taxes. No loan shall be made to a parish governing authority
16 without the approval of the Interim Emergency Board.

17 PART III. REVENUE SHARING

18 §26. Revenue Sharing Fund

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

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

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

1 remaining funds, ~~to the extent available~~, shall be distributed by first priority to the
 2 tax recipient bodies within the parish, as defined by law, to offset current losses
 3 because of homestead exemptions granted in this Article. Any balance remaining
 4 in a parish distribution shall be allocated to the municipalities and tax recipient
 5 bodies within each parish as provided by law.

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

11 (E) Bonded Debt. A political subdivision, as defined by Article VI of this
 12 constitution, may incur debt by issuing negotiable bonds and may pledge for the
 13 payment of all or part of the principal and interest of such bonds the proceeds
 14 derived or to be derived from that portion of the funds received by it from the
 15 revenue sharing fund, to offset current losses caused by homestead exemptions
 16 granted by this Article. Unless otherwise provided by law, no moneys allocated
 17 within any parish from the balance remaining in its distribution may be pledged to
 18 the payment of the principal or interest of any bonds. Bonds issued under this
 19 Paragraph shall be issued and sold as provided by law, and shall require approval of
 20 the State Bond Commission or its successor ~~prior to 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 Section 2. Be it further resolved that this proposed amendment shall be submitted
11 to the electors of the state of Louisiana at the statewide election to be held on October 12,
12 2019.

13 Section 3. Be it further resolved that on the official ballot to be used at the election,
14 there shall be printed a proposition, upon which the electors of the state shall be permitted
15 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
16 follows:

17 Do you support an amendment to amend Article VII of the Louisiana
18 Constitution? (January 1, 2020) (Amends Article VII)

DIGEST

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

HB 419 Original 2019 Regular Session Ivey

Abstract: Amend Article VII of the La. Constitution in its entirety.

Present constitution authorizes taxation by the state. state debt, the state bond commission, the use of state funds. Present constitution further authorizes the following funds: the Wildlife and Fisheries Conservation Fund, the Louisiana Education Quality Trust Fund, the Coastal Protection and Restoration Fund, the Budget Stabilization Fund, the Higher Education Louisiana Partnership Fund, the Mineral Revenue Audit and Settlement Fund, the Oilfield Site Restoration Fund, the Oil Spill Contingency Fund, the Millennium Trust, the Louisiana Fund, the Millennium Leverage Fund, the Artificial Reef Development Fund, the Agricultural and Seafood Products Support Fund, the Hospital Stabilization Fund, the Louisiana Medical Assistance Trust Fund, the Revenue Stabilization Trust Fund, the dedication of mineral revenues, the Revenue Sharing Fund, and Transportation Trust Fund.

Present constitution provides for the state budget and budgets, expenditure of state funds, the general reporting of monies, investments by the state treasury, and taxation.

Present constitution authorizes equal and uniform taxes to be levied on net income. Further authorizes the rates for these taxes to be graduated according to the amount of the taxpayer's net income; however, the state individual and joint income tax schedule of rates and brackets are prohibited from exceeding the rates and brackets as they existed on Jan. 1, 2003.

Present law provides for a tax to be assessed, levied, collected, and paid upon the taxable income of an individual at the following rates and brackets:

- (1) 2% on the first \$12,500 of net income.
- (2) 4% on the next \$37,500 of net income.
- (3) 6% on net income in excess of \$50,000.

Proposed constitutional amendment deletes the reference to the individual income tax rates and brackets in existence on Jan. 1, 2003, in favor of specifying that a state tax levied on individual income shall be levied at a flat rate which shall be established in law.

Present constitution authorizes federal income taxes paid to be allowed as a deductible item in computing state individual, estates and trusts, and corporate income taxes for the same period.

Proposed constitutional amendment changes present constitution by eliminating the deductibility of federal income taxes paid when computing individual, estates and trusts, and corporate income tax liability.

Proposed constitutional amendment retains present constitution.

Proposed constitutional amendment creates the State Cybersecurity and Information Technology Infrastructure Fund in the state treasury. Dedicates 0.0045% of monies in the state general fund that are not allocated to the Bond Redemption and Security Fund or pledged in connection with the issuance of bonds to be appropriated solely for purposes of enhancing and upgrading the state's information technology infrastructure and to support cybersecurity needs.

Proposed constitutional amendment provides that unexpended and unencumbered monies in the fund at the end of the fiscal year remain in the fund. The money in the fund shall be invested as provided by law and any earnings realized on investment of money in the fund shall be deposited in and credited to the fund.

Proposed constitutional amendment authorizes the establishment of a committee to assist the legislature in consideration of priorities for the funding of information technology infrastructure projects through appropriations from the fund with consent of the majority of the legislature.

Present constitution authorizes a property tax exemption (hereinafter (exemption)) for new manufacturing establishments and miscellaneous additions to existing establishments for an initial term of five years, with a five year renewal. The exemption is effectuated through a contract granted by the Board of Commerce and Industry, with the approval of the governor.

Proposed constitutional amendment authorizes two ad valorem property tax exemptions for new manufacturing establishments and additions to existing manufacturing establishments as follows:

- (1) A standard exemption which shall be for a term of 7 years which exempts a property from 80% of its property taxes. The standard exemption is subject to approval by the Board of Commerce and Industry with no additional approval requirement.
- (2) A non-standard exemption which shall be for a term longer than 7 years which exempts a property from more than 80% of its property taxes. The non-standard exemption is only available to applicants if offered by the governor. The non-standard exemption is subject to approval by the governor.

Proposed constitutional amendment retains present law related to listing property on tax assessment rolls and various definitions.

Present constitution authorizes the levy of ad valorem taxes on property within Louisiana.

Present constitution establishes an exemption from state, parish, and special ad valorem property taxes for the bona fide homestead of the property owner, for the first \$7,500 of assessed valuation.

Proposed constitutional amendment retains present constitution and adds authorization for a parish governing authority to adjust the amount of the homestead exemption by the adoption of a resolution or ordinance, to be effective only if approved by the electors of the parish. One time millage adjustments are required in instances where the homestead exemption is adjusted so as to ensure the same amount of revenue for taxing authorities.

Present constitution authorizes the State Board of Commerce and Industry to enter into exemption contracts with manufacturing establishments (ITEP contracts), on the terms and conditions of the board. Further requires approval of the contracts by the governor.

Proposed constitutional amendment changes authority to grant these exemptions from the State Board of Commerce and Industry to parish governing authorities to enter into ITEP contracts. Further requires a taxing authority to approve the exemption of its particular millage prior to execution of the exemption contract.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Oct. 12, 2019.

(Amends Article VII of the La. Constitution)