The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

DIGEST

SB 49 Original 2022 Regular Session Ward

Present constitution provides that 1/5 of the severance tax on all natural resources other than sulphur, lignite, or timber shall be remitted to the governing authority of the parish in which severance or production occurs. The initial maximum amount remitted to the parish in which severance or production occurs shall not exceed $850,000.

Present constitution provides that the maximum amount remitted shall be increased each July first by an amount equal to the average annual increase in the Consumer Price Index for All Urban Consumers, as published by the U.S. Dept. of Labor, for the previous calendar year, as calculated and adopted by the Revenue Estimating Conference.

Proposed constitutional amendment retains the CPI increase provision.

Present constitution increases the maximum amount of severance tax on natural resources, other than sulphur, lignite, and timber, that is remitted to the parish governing authority where the severance occurs from $850,000 to $1,850,000 in the first fiscal year after collections exceed the collections in FY 2008-09 and to $2,850,000 in all subsequent fiscal years. Further requires that at least 50% of the excess severance tax remitted to a parish in a fiscal year be used only within the parish for the same purposes as money received from the Parish Transportation Fund. The term "excess severance tax" shall mean the amount of severance tax remitted to a parish in excess of the amount of severance tax remitted to the parish in FY 2011-12.

Proposed constitutional amendment removes the FY 2008-09 collections trigger and changes the maximum amount of severance tax on natural resources, other than sulphur, lignite, and timber, that is remitted to the parish governing authority where the severance occurs from $850,000 ($1.06 million in FY 2019-20 after CPI adjustment) to $2,850,000 beginning July 1, 2023.

Proposed constitutional amendment requires that 100% of the excess severance tax remitted to a parish in a fiscal year be used only within the parish for the same purposes as money received from the Parish Transportation Fund. The term "excess severance tax" shall mean the amount of severance tax remitted to a parish in excess of the amount of severance tax remitted to the parish for FY 2020-21.

Specifies submission of the amendment to the voters at the statewide election to be held on November 8, 2022.

(Amends Art. VII, §4(D))