

1 D.

2 * * *

3 (3)(a) Effective July 1, 2007 2024, subject to the limitation provided in
4 Subsubparagraph (b) of this Subparagraph, one-fifth of the severance tax on all
5 natural resources other than sulphur, lignite, or timber shall be remitted to the
6 governing authority of the parish in which severance or production occurs.

7 (b) The ~~initial maximum~~ annual amount remitted to ~~the a~~ a parish in
8 accordance with this Subparagraph in which severance or production occurs shall not
9 exceed ~~eight hundred fifty thousand~~ ten million dollars. ~~The maximum amount~~
10 ~~remitted shall be increased each July first, beginning in 2008, by an amount equal to~~
11 ~~the average annual increase in the Consumer Price Index for all urban consumers, as~~
12 ~~published by the United States Department of Labor, for the previous calendar year,~~
13 ~~as calculated and adopted by the Revenue Estimating Conference.~~

14 (c) The legislature may enact laws providing for the use by parishes of
15 amounts remitted in accordance with this Subparagraph.

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

1 (a) ~~Remittance to parishes:~~

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

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

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

21 (b) ~~Deposit into the Atchafalaya Basin Conservation Fund.~~

22 (f) (a) ~~Notwithstanding any other provision of this constitution to the~~
23 ~~contrary, after allocation of money to the Bond Security and Redemption Fund as~~
24 ~~provided in Article VII, Section 9(B) of this constitution, and after satisfying the~~
25 ~~required allocations in Subsubparagraph (a) of this Subparagraph (3) of this~~
26 ~~Paragraph, Paragraph (E) of this Section, and Article VII, Sections 10-A and 10.2 of~~
27 ~~this constitution, an amount equal to fifty percent of the revenues received from~~
28 ~~severance taxes and royalties on state lands in the Atchafalaya Basin, but not to~~
29 ~~exceed ten million dollars each fiscal year, shall be deposited by the treasurer into~~

1 the Atchafalaya Basin Conservation Fund, ~~hereinafter~~ referred to hereafter in this
 2 Subparagraph as the "fund", which is hereby created as a special fund in the state
 3 treasury. The monies in the fund shall be invested by the treasurer in the manner
 4 provided by law, and interest earned on the investment of these monies shall be
 5 deposited in and credited to the fund. All unexpended or unencumbered monies
 6 remaining in the fund at the end of the fiscal year shall remain in the fund.

7 (ii) (b) The monies in the fund shall be used exclusively for projects
 8 contained in the state or federal Basin master plans or an annual Basin plan
 9 developed and approved by the advisory or approval board created by law
 10 specifically for that purpose, or to provide match for the Atchafalaya Basin
 11 Floodway System, Louisiana Project. Each year's plan for the expenditure of monies
 12 appropriated from the fund shall be subject to the approval of the appropriate subject
 13 matter committees of the legislature.

14 (iii) (c) Of the monies appropriated in any fiscal year, eighty-five percent
 15 shall be used for water management, water quality, or access projects, and the
 16 remaining fifteen percent may be used to complete ongoing projects and for projects
 17 that are in accordance with the mission statement of the state master plan. However,
 18 no more than five percent of the monies appropriated in any fiscal year may be used
 19 for the operational costs of the program or the department.

20 * * *

21 Section 2. Be it further resolved that the provisions of the amendment contained in
 22 this Joint Resolution shall become effective July 1, 2024.

23 Section 3. Be it further resolved that this proposed amendment shall be submitted
 24 to the electors of the state of Louisiana at the statewide election to be held on October 14,
 25 2023.

26 Section 4. Be it further resolved that on the official ballot to be used at the election,
 27 there shall be printed a proposition, upon which the electors of the state shall be permitted
 28 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
 29 follows:

1 Do you support an amendment to increase the limit on the amount of state
 2 severance tax revenue paid to parishes, to authorize the legislature to enact
 3 laws for spending of this revenue by parishes, to repeal a previously adopted
 4 system for increasing the limit on state severance tax revenue paid to
 5 parishes which has never been implemented, and to implement provisions of
 6 the current constitution for the use of certain severance tax revenues for
 7 Atchafalaya Basin conservation projects? (Effective July 1, 2024) (Amends
 8 Article VII, Section 4(D)(3) and (4))

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 277 Engrossed

2023 Regular Session

Bagley

Abstract: Increases the limit on state severance tax revenue remitted to parishes in which the severance generating the revenue occurs.

Present constitution requires that 20% of the state severance tax on natural resources other than sulphur, lignite, or timber be remitted to the governing authority of the parish in which severance or production occurs. Provides that the maximum annual amount of severance tax revenue remitted to a parish was \$850,000 effective July 1, 2007 and that this amount shall be adjusted for inflation each July first, beginning in 2008, by an amount equal to the average annual increase in the Consumer Price Index (CPI). The inflation-adjusted maximum amount to be remitted to parishes equals \$1,146,603 in Fiscal Year (FY) 2022-2023.

Proposed constitutional amendment amends present constitution to provide instead that, effective July 1, 2024, the maximum annual amount of state severance tax revenue remitted to a parish in which severance or production occurs shall be \$10,000,000 and that this amount is static and not to be adjusted according to the CPI or any other index or factor.

Proposed constitutional amendment authorizes the legislature to enact laws providing for the use by parishes of amounts remitted pursuant to proposed constitutional amendment.

Present constitution provides for increasing state severance tax revenue amounts remitted to parishes if certain conditions are met. Provides for a schedule of increases to be implemented if and when the official forecast of severance tax revenues for a fiscal year exceeds actual severance tax collections from Fiscal Year 2008-2009. Provides further for the expenditure by parishes of certain amounts remitted in accordance with this schedule. Proposed constitutional amendment repeals present constitution.

Present constitution creates the Atchafalaya Basin Conservation Fund (fund) and authorizes specific uses of monies in the fund. Provides that after the allocation of severance tax revenues required by present constitution, as amended by proposed constitutional amendment, 50% of the revenues received from severance taxes and royalties on state lands in the Atchafalaya Basin, not to exceed \$10,000,000 each fiscal year, shall be deposited into the fund. Proposed constitutional amendment retains present constitution.

Present constitution provides that provisions pertaining to the fund are implemented when certain conditions are met.

Proposed constitutional amendment repeals present constitution.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Oct. 14, 2023.

Effective July 1, 2024.

(Amends Const. Art. VII, §4(D)(3) and (4))