

---

## 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))