

2015 Regular Session

HOUSE BILL NO. 619

BY REPRESENTATIVE STOKES

FUNDS/FUNDING: (Constitutional Amendment) Dedicates the avails of certain state taxes on tobacco, nicotine products, alcoholic beverages, and other monies to be distributed to certain political subdivisions which levy ad valorem taxes

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A JOINT RESOLUTION

Proposing to add Article VII, Sections 10(F)(4)(h) and 10.15 of the Constitution of Louisiana, relative to support of political subdivisions of the state; to establish a dedication of certain state revenues for support of certain political subdivisions; to establish the Ad Valorem Tax Abatement Fund as a special fund within the state treasury; to provide for sources of revenue for the fund; to provide with respect to the deposit, allocation, and distribution of monies in the fund; to provide for effectiveness; and to provide for related matters.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state of Louisiana, for their approval or rejection in the manner provided by law, a proposal to add Article VII, Sections 10(F)(4)(h) and 10.15 of the Constitution of Louisiana, to read as follows:

§10. Expenditure of State Funds

Section 10.

* * *

(F) Projected Deficit.

* * *

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 (4) The provisions of Subparagraphs (1) and (2) of this Paragraph shall not
2 be applicable to, nor affect:

3 * * *

4 (h) The Ad Valorem Tax Abatement Fund created under Section 10.15 of
5 this Article.

6 * * *

7 §10.15 Tobacco and Nicotine Product Taxes; Alcoholic Beverage Taxes; Ad
8 Valorem Tax Abatement Fund; dedication to political subdivisions

9 A. Revenue Dedication. Beginning November 1, 2015, a portion of the
10 avails of any and all state taxes upon the sale, use, and consumption of tobacco
11 products, nicotine vapor products, alternative nicotine products and alcoholic
12 beverages which are first enacted during the 2015 Regular Session of the Legislature,
13 hereinafter referred to as "state revenues" are hereby dedicated for annual allocation
14 and distribution to those political subdivisions of the state which as of that date
15 impose an ad valorem tax on property within their jurisdiction, hereinafter referred
16 to as "eligible political subdivisions". Notwithstanding any provision of this
17 constitution to the contrary, if the exemption from ad valorem property tax provided
18 by this constitution for items constituting business inventory in any way impairs the
19 obligation of a contract regarding bonded indebtedness of a political subdivision, any
20 monies received by the political subdivision from this dedication shall first be used
21 to replace any monies necessary to satisfy the annual bond payments of the political
22 subdivision.

23 B. Ad Valorem Tax Abatement Fund. There is hereby established a special
24 fund within the state treasury to be known as the Ad Valorem Tax Abatement Fund,
25 hereinafter referred to as "the fund". The purpose of the fund shall be administration
26 of the state revenues dedicated to eligible political subdivisions as required in
27 Paragraph A of this Section. After satisfying the requirements of the Bond Security
28 and Redemption Fund as provided in Article VII, Section 9(B) of this constitution,
29 the state treasurer shall deposit in and credit to the fund an amount equal to the state

1 revenues. The treasurer shall distribute monies from the fund on a monthly basis in
2 accordance with a formula to be established by law.

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

5 Section 2. This Act shall take effect and become operative on November 1, 2015,
6 if and when the proposed amendment of Article VII of the Constitution of Louisiana
7 contained in the Act which originated as House Bill No. ___ of this 2015 Regular Session
8 of the Legislature is adopted at a statewide election and becomes effective.

9 Section 3. Be it further resolved that this proposed amendment shall be submitted
10 to the electors of the state of Louisiana at the statewide election to be held on October 24,
11 2015.

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

16 Do you support an amendment to dedicate the avails of all state taxes on
17 tobacco, nicotine products, and alcoholic beverages that were enacted during
18 the 2015 Regular Session, such money to be allocated to political
19 subdivisions which levy a property tax? ((November 1, 2015) Adds Article
20 VII, Section 10.15)

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 619 Original

2015 Regular Session

Stokes

Abstract: Dedicates the avails of all state taxes on tobacco, nicotine products, and alcoholic beverages that are enacted during the 2015 Regular Session for allocation to political subdivisions which levy a property tax, and establishes the Ad Valorem Tax Abatement Fund for purposes of the dedication.

Proposed constitutional amendment, beginning November 1, 2015, dedicates a portion of the avails of those state taxes upon the sale, use, and consumption of tobacco products, nicotine vapor products, alternative nicotine products, and alcoholic beverages which are first enacted during the 2015 Regular Session of the legislature ("state revenues") for annual allocation

and distribution to political subdivisions which levy an ad valorem tax on property, as of Nov. 1, 2015 ("eligible political subdivisions").

Present constitution defines "political subdivision" as a parish, municipality, and any other unit of local government, including a school board, and a special district authorized by law to perform governmental functions.

Proposed constitutional amendment establishes the Ad Valorem Tax Abatement Fund as a special treasury fund, hereinafter referred to as "the fund", for administration of the state revenues dedicated to eligible political subdivisions pursuant to proposed constitutional amendment, as well as any other monies which may be designated by law for deposit into the fund. Requires the state treasurer, after satisfying the requirements of the Bond Security and Redemption Fund, to deposit in and credit to the fund an amount equal to the state revenues. Monies will be distributed from the fund on a monthly basis in accordance with a formula to be established by law.

Proposed constitutional amendment shall not apply to or affect the allocations of severance tax and royalties to local governments as provided in present constitution.

Effective Nov. 1, 2015, if and when the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. ___ of this 2015 R.S. of the Legislature is adopted at a statewide election and becomes effective.

Provides for submission of the proposed amendment to the voters at the statewide election to be held October 24, 2015.

(Adds Art. Sec. VII, Sections 10(F)(4)(h) and 10.15)