HLS 17RS-753 ORIGINAL

2017 Regular Session

HOUSE BILL NO. 348

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BY REPRESENTATIVE JONES

TAX/GASOLINE TAX: (Constitutional Amendment) Provides relative to the deposit and use of the avails of the taxes levied on gasoline, motor fuels, and special fuels

A JOINT RESOLUTION

2 Proposing to amend Article VII, Section 27(A) of the Constitution of Louisiana, to provide 3 with respect to taxes on motor fuels; to provide relative to the Transportation Trust 4 Fund; to provide for the deposit and use of certain gasoline, motor fuel, and special 5 fuel tax proceeds; to provide for certain requirements and limitations; to provide for effectiveness; to provide for submission of the proposed amendment to the electors; 6 7 and to provide for related matters. 8 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members 9 elected to each house concurring, that there shall be submitted to the electors of the state of 10 Louisiana, for their approval or rejection in the manner provided by law, a proposal to 11 amend Article VII, Section 27(A) of the Constitution of Louisiana, to read as follows: 12 §27. Transportation Trust Fund 13 Section 27.(A)(1) Creation of fund. Effective Except as provided for in 14 Subparagraph (2) of this Paragraph, effective January 1, 1990, there shall be 15 established in the state treasury as a special permanent trust fund the Transportation 16 Trust Fund ("the trust fund") in which shall be deposited the "excess revenues" as 17 defined herein which are a portion of the avails received in each year from all taxes 18 levied on gasoline and motor fuels and on special fuels (said avails being referred to

as the "revenues") as provided herein. After satisfying pledges respecting that

portion of the revenues attributable to the tax rates in effect at the time of such

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pledges for the payment of obligations for bonds or other evidences of indebtedness on the effective date of this Section, the treasurer shall allocate such portion of the revenues received in each year as necessary to pay all principal, interest, premium, if any, and other obligations incident to the issuance, security, and payment in respect of bonds as authorized in Paragraph (C) hereof. Thereafter, the portion of the revenues remaining shall be deposited in the Bond Security and Redemption Fund in the state treasury. After (1) the payment of any obligations for bonds or other evidences of indebtedness in existence on the effective date of this Section which are secured by revenues; (2) payments in respect of bonds authorized in Paragraph (C) hereof; and (3) credit to the Bond Security and Redemption Fund, the treasurer shall deposit in and credit to the trust fund all of the revenues remaining (the "excess revenues") from the avails of all taxes levied on gasoline and motor fuels and on special fuels, as follows: for the fiscal year beginning July 1, 1989, the avails of twelve cents per gallon of said taxes received on and after January 1, 1990; for the fiscal year beginning on July 1, 1990, the avails of fourteen cents per gallon of said taxes; for the fiscal year beginning on July 1, 1991, and thereafter, the avails of all taxes levied on gasoline and motor fuels and on special fuels. Purchases of gasoline, diesel fuel, or special fuels which are subject to excise tax under Chapter 7 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950 shall be exempt from the state sales tax and any sales tax levied by a political subdivision as defined by Article VI, Section 44(2). All monies appropriated by the Federal Highway Administration and the Federal Aviation Administration, or their successors, either reimbursed or paid directly, shall be paid directly or deposited in and credited to the trust fund. (2) The avails of any additional tax enacted on gasoline, motor fuels, and special fuels on or after July 1, 2017, shall be deposited into the 21st Century

special fuels on or after July 1, 2017, shall be deposited into the 21st Century

Transportation and Infrastructure Fund which shall be established in law as a special treasury fund for the dedication of revenues derived from the tax. The use of the monies in the fund shall be limited to state and local government transportation and

1 capital infrastructure projects. The legislature shall establish a list of funding 2 priorities as well as a formula and method of distribution of certain monies for 3 support of state and local government projects once enacted. Any change in the 4 funding priorities or the formula and method of distribution of the monies in the fund 5 shall require the enactment of a law by three-fourths vote of the elected members of 6 each house of the legislature. 7 8 Section 2. Be it further resolved that this proposed amendment shall be submitted 9 to the electors of the state of Louisiana at the statewide election to be held on October 14, 10 2017. 11 Section 3. Be it further resolved that on the official ballot to be used at the election, 12 there shall be printed a proposition, upon which the electors of the state shall be permitted to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as 13 14 follows: 15 Do you support an amendment to require that the avails of any additional taxes enacted on gasoline and motor fuels on or after July 1, 2017, be 16 17 deposited into the 21st Century Transportation and Infrastructure Fund to be 18 used to support state and local government transportation and capital 19 infrastructure projects? (Amends Article VII, Section 27(A))

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 348 Original

2017 Regular Session

Jones

Abstract: Requires the proceeds of any additional taxes levied on gasoline and other motor fuels on or after July 1, 2017, to be deposited into the 21st Century Transportation and Infrastructure Fund to be used solely for state and local transportation and other capital infrastructure projects.

<u>Present constitution</u> establishes the Transportation Trust Fund (TTF) as a special treasury fund and requires that all state taxes levied on gasoline and motor fuels be deposited annually into the fund. The current state excise taxes on gasoline and motor fuels total 20¢ per gallon. Monies in the fund are used to provide for construction and maintenance of roads and bridges of the state and federal highway systems, the Statewide Flood-Control Program, ports, airports, transit, state police for traffic control purposes, and the Parish

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Transportation Fund. Further, <u>present constitution</u> prohibits the levy of any state or local sales tax on gasoline and motor fuels.

<u>Proposed constitutional amendment</u> changes <u>present constitution</u> to require that the revenues of any additional taxes enacted on gasoline, motor fuels, and special fuels, on or after July 1, 2017, be deposited into the 21st Century Transportation and Infrastructure Fund to be used to support state and local transportation and capital infrastructure projects.

<u>Proposed constitutional amendment</u> further requires the legislature to establish a list of funding priorities and a formula and method of distribution of certain monies in the fund for support of state and local government projects once enacted. Any change in the funding priorities or the formula and distribution of the monies shall require the enactment of a law by 3/4 vote of the elected members of each house of the legislature.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Oct. 14, 2017.

(Amends Const. Art. VII, Sec. 27(A))