

1 for certain capital investment projects; to provide for the terms of the exemptions;
2 to provide for the amount of the exemptions; to provide authorizations for approval
3 of the exemptions; to provide for the administration of the exemptions; to provide
4 for review by the Board of Commerce and Industry; to provide for approval from
5 political subdivisions; to provide for gubernatorial approval; to authorize local
6 government taxing authorities to enter into cooperative endeavor agreements with
7 owners of non-residential immovable property; to provide for a maximum term for
8 the cooperative endeavor agreements; to provide for definitions; to provide for
9 submission of the proposed amendment to the electors; and to provide for related
10 matters.

11 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
12 elected to each house concurring, that there shall be submitted to the electors of the state of
13 Louisiana, for their approval or rejection in the manner provided by law, a proposal to
14 amend Article VII of the Constitution of Louisiana, to read as follows:

15 ARTICLE VII. REVENUE AND FINANCE

16 PART I. GENERAL PROVISIONS

17 §1. Power to Tax; Public Purpose

18 Section 1.(A) Except as otherwise provided by this constitution, the power
19 of taxation shall be vested in the legislature, shall never be surrendered, suspended,
20 or contracted away, and shall be exercised for public purposes only.

21 (B) The power to tax ~~may~~ shall not be exercised by any court in the state,
22 either by ordering the levy of a tax, an increase in an existing tax, or the repeal of an
23 existing tax exemption or by ordering the legislature or any municipal or parish
24 governing authority or any other political subdivision or governmental entity to do
25 so.

26 §2. Power to Tax; Limitation

27 Section 2. The levy of a ~~new~~ tax, an increase in an existing tax, or a repeal
28 of an existing tax exemption shall require the enactment of a law by two-thirds of the
29 elected members of each house of the legislature.

1 §2.1. Fees and Civil Fines; Limitation

2 Section 2.1.(A) Any new fee, ~~or~~ civil fine, or increase in an existing fee, ~~or~~
3 civil fine imposed, or assessed by the state or any board, department, or agency of
4 the state shall require the enactment of a law by a two-thirds vote of the elected
5 members of each house of the legislature.

6 (B) The provisions of this Section shall not apply to any department which
7 is constitutionally created ~~and headed by an officer who is elected by majority vote~~
8 ~~of the electorate of the state.~~

9 §2.2. Power to Tax; Sales and Use Tax; Limitation

10 Section 2.2.(A) Effective January 1, 2003, the sales and use tax rate imposed
11 by the state of Louisiana or by a political subdivision whose boundaries are
12 coterminous with those of the state shall not exceed two percent of the price of the
13 following items:

14 (1) Food for home consumption, as defined in R.S. 47:305(D)(1)(n) through
15 (r) on January 1, 2003.

16 (2) Natural gas, electricity, and water sold directly to the consumer for
17 residential use.

18 (3) Prescription drugs.

19 (B) ~~Effective~~ Notwithstanding the provisions of Paragraph (A) of this
20 Section, effective July 1, 2003, the sales and use tax imposed by the state of
21 Louisiana or by a political subdivision whose boundaries are coterminous with those
22 of the state shall not apply to sales or purchases of the following items:

23 (1) Food for home consumption, as defined in R.S. 47:305(D)(1)(n) through
24 (r) on January 1, 2003. The legislature shall not enact or amend a definition of food
25 for home consumption, except by law enacted by a favorable vote of two-thirds of
26 the elected members of each house of the legislature.

27 (2) Natural gas, electricity, and water sold directly to the consumer for
28 residential use.

29 (3) Prescription drugs.

1 (C) As used in this Section, the term "sold directly to the consumer for
2 residential use" includes the furnishing of natural gas, electricity, or water to single
3 private residences, including the separate private units of apartment houses and other
4 multiple dwellings, actually used for residential purposes, which residences are
5 separately metered or measured, regardless of the fact that a person other than the
6 resident is contractually bound to the supplier for the charges, actually pays the
7 charges, or is billed for the charges. The use of electricity, natural gas, or water in
8 hotel or motel units does not constitute residential use.

9 §2.3. Power to Tax; Limitation; Sale or Transfer of Immovable Property

10 Section 2.3. No new tax or fee upon the sale or transfer of immovable
11 property, including documentary transaction taxes or fees, or any other tax or fee,
12 shall be levied by the state of Louisiana, ~~by a political subdivision whose boundaries~~
13 ~~are coterminous with those of the state,~~ or by a political subdivision, as defined in
14 Article VI, Section 44(2) of this constitution after November 30, 2011. A
15 documentary transaction is any transaction pursuant to any instrument, act, writing,
16 or document which transfers or conveys immovable property. Fees for the cost of
17 recordation, filing, or maintenance of documents, or records effectuating the sale or
18 transfer of immovable property, impact fees for development of property, annual
19 parcel fees, and ad valorem taxes shall not be considered taxes or fees upon the sale
20 or transfer of immovable property.

21 §3. Collection of Taxes

22 Section 3.(A) The legislature shall prohibit the issuance of process to restrain
23 the collection of any tax. It shall provide a complete and adequate remedy for the
24 prompt recovery of an illegal tax paid by a taxpayer.

25 (B)(1) Notwithstanding any contrary provision of this constitution, sales and
26 use taxes levied by political subdivisions shall be collected by a single collector for
27 each parish. ~~On or before July 1, 1992, all political subdivisions within each parish~~
28 ~~which levy a sales and use tax shall agree between and among themselves to provide~~
29 ~~for the collection of such taxes by a single collector or a central collection~~

1 ~~commission.~~ The legislature, by general law, shall provide for the collection of sales
2 and use taxes, levied by political subdivisions, by a central collection commission
3 in those parishes where a single collector or a central collection commission has not
4 been established ~~by July 1, 1992.~~

5 (2) The legislature, by local law enacted by two-thirds of the elected
6 members of each house of the legislature, may establish an alternate method of
7 providing for a single collector or a central collection commission in each parish.

8 (3) Except when authorized by the unanimous agreement of all political
9 subdivisions levying a sales and use tax within a parish, only those political
10 subdivisions levying a sales and use tax shall be authorized to act as the single
11 collector or participate on any commission established for the collection of such
12 taxes.

13 (4) The legislature shall provide for the prompt remittance to the political
14 subdivisions identified on the taxpayers' returns of funds collected pursuant to the
15 provisions of this Paragraph by a single collector or under any other centralized
16 collection arrangement.

17 (5) The provisions of this Paragraph shall not apply in those parishes which
18 have a single collector or a centralized collection arrangement as of July 1, 1992.

19 §4. Income Tax; Severance Tax; Political Subdivisions

20 Section 4.(A) Income Tax. Equal and uniform taxes may be levied on net
21 incomes, ~~and these taxes may be graduated according to the amount of net income.~~
22 ~~However, the state individual and joint income tax schedule of rates and brackets~~
23 ~~shall never exceed the rates and brackets set forth in Title 47 of the Louisiana~~
24 ~~Revised Statutes on January 1, 2003. Federal income taxes paid shall be allowed as~~
25 ~~a deductible item in computing state income taxes for the same period. The state tax~~
26 ~~levied on the net income of individuals shall be levied at a flat rate which shall be~~
27 ~~established in law.~~

28 (B) Severance Tax. (1) Taxes may be levied on natural resources severed
29 from the soil or water, to be paid proportionately by the owners thereof at the time

1 of severance. Natural resources may be classified for the purpose of taxation. Such
2 taxes may be predicated upon either the quantity or value of the products at the time
3 and place of severance. No further or additional tax or license shall be levied or
4 imposed upon oil, gas, or sulphur leases or rights. No additional value shall be added
5 to the assessment of land by reason of the presence of oil, gas, or sulphur therein or
6 their production therefrom. However, sulphur in place shall be assessed for ad
7 valorem taxation to the person, firm, or corporation having the right to mine or
8 produce the same in the parish where located, at no more than twice the total
9 assessed value of the physical property subject to taxation, excluding the assessed
10 value of sulphur above ground, as is used in sulphur operations in such parish.
11 Likewise, the severance tax shall be the only tax on timber; however, standing timber
12 shall be liable equally with the land on which it stands for ad valorem taxes levied
13 on the land.

14 (2) Notwithstanding the provisions of Subparagraph (1) of this Paragraph,
15 the presence of oil or gas or the production thereof, may be included in the
16 methodology to determine the fair market value of an oil or gas well for ad valorem
17 taxes.

18 (C) Political Subdivisions; Prohibitions. A political subdivision of the state
19 shall not levy a severance tax, income tax, inheritance tax, or tax on motor fuel.

20 (D)(1) Severance Tax Allocation. One-third of the sulphur severance tax,
21 but not to exceed one hundred thousand dollars; one-third of the lignite severance
22 tax, but not to exceed one hundred thousand dollars; one-fifth of the severance tax
23 on all natural resources, other than sulphur, lignite, or timber, but not to exceed five
24 hundred thousand dollars; and three-fourths of the timber severance tax shall be
25 remitted to the governing authority of the parish in which severance or production
26 occurs.

27 (2) Effective July 1, 1999, one-third of the sulphur severance tax, but not to
28 exceed one hundred thousand dollars; one-third of the lignite severance tax, but not
29 to exceed one hundred thousand dollars; one-fifth of the severance tax on all natural

1 resources, other than sulphur, lignite, or timber, but not to exceed seven hundred fifty
2 thousand dollars; and three-fourths of the timber severance tax shall be remitted to
3 the governing authority of the parish in which severance or production occurs.

4 (3) Effective July 1, 2007, one-fifth of the severance tax on all natural
5 resources other than sulphur, lignite, or timber shall be remitted to the governing
6 authority of the parish in which severance or production occurs. The initial
7 maximum amount remitted to the parish in which severance or production occurs
8 shall not exceed eight hundred fifty thousand dollars. The maximum amount
9 remitted shall be increased each July first, beginning in 2008, by an amount equal to
10 the average annual increase in the Consumer Price Index for all urban consumers, as
11 published by the United States Department of Labor, for the previous calendar year,
12 as calculated and adopted by the Revenue Estimating Conference.

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

27 (a) Remittance to parishes.

28 (i) In the first fiscal year of implementation of this Subparagraph, the
29 maximum amount of severance tax on all natural resources other than sulphur,

1 lignite, or timber which is remitted to the parish in which severance or production
2 occurs shall not exceed one million eight hundred fifty thousand dollars. For all
3 subsequent fiscal years, the maximum amount remitted to a parish shall not exceed
4 two million eight hundred fifty thousand dollars.

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

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

18 (b) Deposit into the Atchafalaya Basin Conservation Fund.

19 (i) Notwithstanding any other provision of this constitution to the contrary,
20 after allocation of money to the Bond Security and Redemption Fund as provided in
21 Article VII, Section 9(B) of this constitution, and after satisfying the required
22 allocations in Subsubparagraph (a) of this Subparagraph, Paragraph (E) of this
23 Section, and Article VII, Sections 10-A and 10.2 of this constitution, an amount
24 equal to fifty percent of the revenues received from severance taxes and royalties on
25 state lands in the Atchafalaya Basin, but not to exceed ten million dollars each fiscal
26 year, shall be deposited by the treasurer into the Atchafalaya Basin Conservation
27 Fund, hereinafter referred to as the "fund", which is hereby created as a special fund
28 in the state treasury. The monies in the fund shall be invested by the treasurer in the
29 manner provided by law, and interest earned on the investment of these monies shall

1 be deposited in and credited to the fund. All unexpended or unencumbered monies
2 remaining in the fund at the end of the fiscal year shall remain in the fund.

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

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

16 (E) Royalties Allocation. One-tenth of the royalties from mineral leases on
17 state-owned land, lake and river beds and other water bottoms belonging to the state
18 or the title to which is in the public for mineral development shall be remitted to the
19 governing authority of the parish in which severance or production occurs. A parish
20 governing authority may fund these royalties into general obligation bonds of the
21 parish in accordance with law. The provisions of this Paragraph shall not apply to
22 properties comprising the Russell Sage Wildlife and Game Refuge.

23 §4.1. Cigarette Tax Rates

24 Section 4.1. To ensure revenue for the dedication provided for in Article VII,
25 Section 10.8(C)(2)(c) of this constitution, the rate of the tax levied pursuant to R.S.
26 47:841(B)(3) shall not be less than the rate set forth in that provision ~~as it exists on~~
27 ~~January 1, 2012.~~

1 §5. Motor Vehicle License Tax

2 Section 5. The legislature shall impose an annual license tax of not more
3 than one dollar per each one thousand dollars of actual value on automobiles for
4 private use based on the actual value of the vehicle, as provided by law. However,
5 the annual license tax shall not be less than ten dollars per automobile for private
6 use. On other motor vehicles, the legislature shall impose an annual license tax
7 based upon carrying capacity, horsepower, value, weight, or any of these. After
8 satisfying the requirements of Section 9(B) of this Article, and after satisfying
9 pledges respecting that portion of the revenues attributable to the tax rates in effect
10 at the time of such pledges for the payment of obligations for bonds or other
11 evidences of indebtedness and upon the creation of a Transportation Trust Fund
12 within this constitution, the revenues from the license tax on automobiles for private
13 use shall be deposited therein. ~~In the event no such trust fund is established in this~~
14 ~~constitution, the revenues shall be used exclusively and solely as provided by law for~~
15 ~~the construction, maintenance, and safety of the federal and state system of roads and~~
16 ~~bridges, for the parish and municipal road systems, for the operations of the office~~
17 ~~of state police, Department of Public Safety and Corrections or its successor, and for~~
18 ~~the payment of any obligation for bonds issued or indebtedness incurred in~~
19 ~~connection with any of the foregoing, which bonds may be issued as revenue bonds~~
20 ~~under Article VII, Section 6(C) of this constitution, subject to existing pledges only~~
21 ~~as to that portion of the tax collections attributable to the rates in effect at the time~~
22 ~~of such pledges for the payment of any obligations for bonds or other evidences of~~
23 ~~indebtedness outstanding on the effective date of this Section.~~ No parish or
24 municipality may impose a license fee on motor vehicles.

25 §6. State Debt; Full Faith and Credit Obligations

26 Section 6.(A) Authorization. Unless otherwise authorized by this
27 constitution, the state shall have no power, directly or indirectly, or through any state
28 board, agency, commission, or otherwise, to incur debt or issue bonds except by law
29 enacted by two-thirds of the elected members of each house of the legislature. The

1 debt may be incurred or the bonds issued only if the funds are to be used to repel
2 invasion; suppress insurrection; provide relief from natural catastrophes; refund
3 outstanding indebtedness at the same or a lower effective interest rate; or make
4 capital improvements, but only in accordance with a comprehensive capital outlay
5 budget, which the legislature shall adopt.

6 (B) Capital Improvements. (1) If the purpose is to make capital
7 improvements, the nature and location and, if more than one project, the amount
8 allocated to each and the order of priority shall be stated in the comprehensive
9 capital outlay budget which the legislature adopts.

10 (2) The estimated amount of debt service to be paid for capital improvements
11 for the next fiscal year shall be stated as a separate item and by budget unit in the
12 budget estimate required to be submitted by the governor in accordance with Section
13 11 of this Article.

14 (C) Full Faith and Credit. The full faith and credit of the state shall be
15 pledged to the repayment of all bonds or other evidences of indebtedness issued by
16 the state directly or through any state board, agency, or commission pursuant to the
17 provisions of Paragraphs (A) and (B) hereof. The full faith and credit of the state is
18 not hereby pledged to the repayment of bonds of a levee district, political
19 subdivision, or local public agency. In addition, any state board, agency, or
20 commission authorized by law to issue bonds, in the manner so authorized and with
21 the approval of the State Bond Commission or its successor, may issue bonds which
22 are payable from fees, rates, rentals, tolls, charges, grants, or other receipts or income
23 derived by or in connection with an undertaking, facility, project, or any combination
24 thereof, without a pledge of the full faith and credit of the state. Such revenue bonds
25 may, but are not required to, be issued in accordance with the provisions of
26 Paragraphs (A) and (B) hereof. If issued other than as provided in Paragraphs (A)
27 and (B), such revenue bonds shall not carry the pledge of the full faith and credit of
28 the state and the issuance of the bonds shall not constitute the incurring of state debt
29 under this constitution. The rights granted to deep-water port commissions or

1 deep-water port, harbor, and terminal districts under this constitution shall not be
2 impaired by this Section.

3 (D) Referendum. The legislature, by law enacted by two-thirds of the
4 elected members of each house, may propose a statewide public referendum to
5 authorize incurrence of debt for any purpose for which the legislature is not herein
6 authorized to incur debt.

7 (E) Exception. Nothing in this Section shall apply to any levee district,
8 political subdivision, or local public agency unless the full faith and credit of the
9 state is pledged to the payment of the bonds of the levee district, political
10 subdivision, or local public agency.

11 (F) Limitation. (1) The legislature shall provide for the determination of a
12 limit to the amount of net state tax supported debt which may be issued by the state
13 in any fiscal year. Net state tax supported debt shall be defined by law. When
14 enacted, such definition shall not be changed except by specific legislative
15 instrument which receives a favorable vote of two-thirds of the elected members of
16 each house of the legislature. The limitation shall be established so that ~~by Fiscal~~
17 ~~Year 2003-2004 and thereafter~~ the amount necessary to service outstanding net state
18 tax supported debt shall not exceed six percent of the estimate of money to be
19 received by the state general fund and dedicated funds contained in the official
20 forecast adopted by the Revenue Estimating Conference at its first meeting after the
21 beginning of each fiscal year and any other money required to be included in the
22 estimate by this Paragraph. In making such estimate, the conference shall include
23 all amounts which are to be used to service net state tax supported debt. For
24 purposes of this Paragraph, servicing outstanding net state tax supported debt
25 includes payments of principal, interest, and sinking fund requirements. The
26 limitation established pursuant to this Paragraph shall not be construed to prevent the
27 payment of debt service on net state tax supported debt.

28 (2) The limitation established pursuant to this Paragraph may be changed by
29 passage of a specific legislative instrument by a favorable vote of two-thirds of the

1 elected members of each house of the legislature. The limitation may be exceeded
2 by passage of a specific legislative instrument for a project or related projects by a
3 favorable vote of two-thirds of the elected members of each house of the legislature,
4 provided that any debt service payment required for such projects shall, once bonds
5 have been issued in connection therewith, not be impaired in any future year by
6 application of this limitation. The limitation established pursuant to this
7 Subparagraph shall be deemed to be increased as necessary to accommodate any
8 projects approved to exceed this limit if approved as provided in this Paragraph, but
9 only as long as there are bonds outstanding for the projects.

10 (3) Except as provided in Subparagraph (2) of this Paragraph, the State Bond
11 Commission shall not approve the issuance of any net state tax supported debt, the
12 debt service requirement of which would cause the limit herein established to be
13 exceeded.

14 §7. State Debt; Interim Emergency Board

15 Section 7.(A) Composition. The Interim Emergency Board is created. It
16 shall be composed of the governor, lieutenant governor, state treasurer, presiding
17 officer of each house of the legislature, chairman of the Senate Finance Committee,
18 and chairman of the House Appropriations Committee, or their designees.

19 (B) Powers. Between sessions of the legislature, when the board by majority
20 vote determines that an emergency or impending flood emergency exists, it may
21 appropriate from the state general fund or borrow on the full faith and credit of the
22 state an amount to meet the emergency. The appropriation may be made or the
23 indebtedness incurred only for a purpose for which the legislature may appropriate
24 funds and then only after the board obtains, as provided by law, the written consent
25 of two-thirds of the elected members of each house of the legislature. For the
26 purposes of this Paragraph, an emergency is an event or occurrence not reasonably
27 anticipated by the legislature and an impending flood emergency shall be an
28 anticipated situation which endangers an existing flood protection structure. The
29 appropriation or indebtedness incurred for an impending flood emergency shall not

1 exceed two hundred fifty thousand dollars for any one event or occurrence. ~~For an~~
2 ~~impending emergency to qualify for funding it must be determined as such by the~~
3 ~~United States Army Corp of Engineers or the United States Coast Guard.~~ Total
4 funding for such impending emergencies shall not exceed twenty-five percent of the
5 funds annually available to the Interim Emergency Board.

6 (C) Limits. The aggregate of indebtedness outstanding at any one time and
7 the amount appropriated from the state general fund for the current fiscal year under
8 the authority of this Section shall not exceed one-tenth of one percent of total state
9 revenue receipts for the previous fiscal year.

10 (D) Allocation. An amount sufficient to pay indebtedness incurred during
11 the preceding fiscal year under the authority of this Section is allocated, as a first
12 priority, each year from the state general fund.

13 §8. State Bond Commission

14 Section 8.(A) Creation. The State Bond Commission is created. Its
15 membership and authority shall be determined by law.

16 (B) Approval of Bonds. No bonds or other obligations shall be issued or
17 sold by the state, directly or through any state board, agency, or commission, or by
18 any political subdivision of the state, unless prior written approval of the bond
19 commission is obtained.

20 (C) Contesting State Bonds. Bonds, notes, certificates, or other evidences
21 of indebtedness of the state, ~~hereafter~~ hereinafter referred to as "bonds"), shall not
22 be invalid because of any irregularity or defect in the proceedings or in the issuance
23 and sale thereof and shall be incontestable in the hands of a bona fide purchaser or
24 holder. The issuing agency, after authorizing the issuance of bonds by resolution,
25 shall publish once in the official journal of the state, as provided by law, a notice of
26 intention to issue the bonds. The notice shall include a description of the bonds and
27 the security therefor. Within thirty days after the publication, any person in interest
28 may contest the legality of the resolution, any provision of the bonds to be issued
29 pursuant to it, the provisions securing the bonds, and the validity of all other

1 provisions and proceedings relating to the authorization and issuance of the bonds.
2 If no action or proceeding is instituted within the thirty days, no person may contest
3 the validity of the bonds, the provisions of the resolution pursuant to which the bonds
4 were issued, the security of the bonds, or the validity of any other provisions or
5 proceedings relating to their authorization and issuance, and the bonds shall be
6 presumed conclusively to be legal. Thereafter no court shall have authority to
7 inquire into such matters.

8 §9. State Funds

9 Section 9.(A) Deposit in State Treasury. All money received by the state or
10 by any state board, agency, or commission shall be deposited immediately upon
11 receipt in the state treasury, except that received:

12 (1) as a result of grants, ~~or~~ donations, ~~or~~ other forms of assistance when the
13 terms and conditions thereof or of agreements pertaining thereto require otherwise;

14 (2) by trade or professional associations;

15 (3) by the employment security administration fund or its successor;

16 (4) by retirement system funds;

17 (5) by state agencies operating under authority of this constitution
18 preponderantly from fees and charges for the shipment of goods in international
19 maritime trade and commerce; and

20 (6) by a state board, agency, or commission, but pledged by it in connection
21 with the issuance of revenue bonds as provided in Paragraph (C) of Section 6 of this
22 Article, other than any surplus as may be defined in the law authorizing such revenue
23 bonds.

24 (B) Bond Security and Redemption Fund. ~~Subject to contractual obligations~~
25 ~~existing on the effective date of this constitution, all~~ All state money deposited in the
26 state treasury shall be credited to a special fund designated as the Bond Security and
27 Redemption Fund, except money received as the result of grants or donations or
28 other forms of assistance when the terms and conditions thereof or of agreements
29 pertaining thereto require otherwise. In each fiscal year an amount is allocated from

1 the bond security and redemption fund sufficient to pay all obligations which are
2 secured by the full faith and credit of the state and which become due and payable
3 within the current fiscal year, including principal, interest, premiums, sinking or
4 reserve fund, and other requirements. Thereafter, except as otherwise provided by
5 law, money remaining in the fund shall be credited to the state general fund.

6 (C) Exception. Nothing in this Section shall apply to a levee district or
7 political subdivision unless the full faith and credit of the state is pledged to the
8 payment of the bonds of the levee district or political subdivision.

9 §10. Expenditure of State Funds

10 Section 10.(A) Revenue Estimating Conference. The Revenue Estimating
11 Conference shall be composed of four members: the governor, or his designee, the
12 president of the senate, or his designee, the speaker of the house or his designee, and
13 a faculty member of a university or college in Louisiana who has expertise in
14 forecasting revenues. Changes to the membership beyond the four members shall
15 be made by law enacted by a favorable vote of two-thirds of the elected members of
16 each house.

17 (B) Official Forecast. The conference shall prepare and publish initial and
18 revised estimates of money to be received by the state general fund and dedicated
19 funds for the current and next fiscal years which are available for appropriation. In
20 each estimate, the conference shall designate the money in the estimate which is
21 recurring and which is nonrecurring. All conference decisions to adopt these
22 estimates shall be by unanimous vote of its members. Changes to the unanimous
23 vote requirement shall be made by law enacted by a favorable vote of two-thirds of
24 the elected members of each house. The most recently adopted estimate of money
25 available for appropriation shall be the official forecast.

26 (C) Expenditure Limit. (1) The legislature shall provide for the
27 determination of an expenditure limit for each fiscal year to be established during the
28 first quarter of the calendar year for the next fiscal year. However, the expenditure
29 limit for the 1991-1992 Fiscal Year shall be the actual appropriations from the state

1 general fund and dedicated funds for that year except funds allocated by Article VII,
2 Section 4, Paragraphs (D) and (E). For subsequent fiscal years, the limit shall not
3 exceed the expenditure limit for the current fiscal year plus an amount equal to that
4 limit times a positive growth factor. The growth factor is the average annual
5 percentage rate of change of personal income for Louisiana as defined and reported
6 by the United States Department of Commerce for the three calendar years prior to
7 the fiscal year for which the limit is calculated.

8 (2) The expenditure limit may be changed in any fiscal year by a favorable
9 vote of two-thirds of the elected members of each house. Any such change in the
10 expenditure limit shall be approved by passage of a specific legislative instrument
11 which clearly states the intent to change the limit.

12 (3) Beginning with the 1995-1996 Fiscal Year, the expenditure limit shall
13 be determined in accordance with the provisions of Paragraph (J) of this Section.
14 The redetermination of the expenditure limit for each fiscal year from the 1991-1992
15 Fiscal Year through the 1994-1995 Fiscal Year shall only be used in computing the
16 expenditure limit for the 1995-1996 Fiscal Year and shall not affect the expenditure
17 limit already computed in accordance with this Paragraph for such fiscal years.

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

20 (D) Appropriations. (1) Except as otherwise provided by this constitution,
21 money shall be drawn from the state treasury only pursuant to an appropriation made
22 in accordance with law. Appropriations from the state general fund and dedicated
23 funds except funds allocated by Article VII, Section 4, Paragraphs (D) and (E) shall
24 not exceed the expenditure limit for the fiscal year.

25 (2) Except as otherwise provided in this constitution, the appropriation or
26 allocation of any money designated in the official forecast as nonrecurring shall be
27 made only for the following purposes:

28 (a) Retiring or for the defeasance of bonds in advance or in addition to the
29 existing amortization requirements of the state.

1 (b)(i) Providing for payments against the unfunded accrued liability of the
2 public retirement systems which are in addition to any payments required for the
3 annual amortization of the unfunded accrued liability of the public retirement
4 systems, as required by Article X, Section 29(E)(2)(c) of this constitution; however,
5 any such payments to the public retirement systems shall not be used, directly or
6 indirectly, to fund cost-of-living increases for such systems.

7 (ii) For Fiscal Years 2013-2014 and 2014-2015 the legislature shall
8 appropriate no less than five percent of any money designated in the official forecast
9 as nonrecurring to the Louisiana State Employees' Retirement System and the
10 Teachers' Retirement System of Louisiana for application to the balance of the
11 unfunded accrued liability of such systems existing as of June 30, 1988, in
12 proportion to the balance of such unfunded accrued liability of each such system.
13 Any such payments to the public retirement systems shall not be used, directly or
14 indirectly, to fund cost-of-living increases for such systems.

15 (iii) For Fiscal Year 2015-2016 and every fiscal year thereafter the
16 legislature shall appropriate no less than ten percent of any money designated in the
17 official forecast as nonrecurring to the Louisiana State Employees' Retirement
18 System and the Teachers' Retirement System of Louisiana for application to the
19 balance of the unfunded accrued liability of such systems existing as of June 30,
20 1988, in proportion to the balance of such unfunded accrued liability of each such
21 system. Any such payments to the public retirement systems shall not be used,
22 directly or indirectly, to fund cost-of-living increases for such systems.

23 (c) Providing funding for capital outlay projects in the comprehensive state
24 capital budget.

25 (d) Providing for allocation or appropriation for deposit into the Budget
26 Stabilization Fund established in Article VII, Section 10.3 of this constitution.

27 (e) Providing for allocation or appropriation for deposit into the Coastal
28 Protection and Restoration Fund established in Article VII, Section 10.2 of this
29 constitution.

1 (f) Providing for new highway construction for which federal matching
2 funds are available, without excluding highway projects otherwise eligible as capital
3 projects under other provisions of this constitution.

4 (3)(a) The legislature shall provide by law for the payment by the state of
5 supplements to the salaries of full-time local law enforcement and fire protection
6 officers of the state. No law shall reduce any payments by the state provided as a
7 supplement to the salaries of full-time local law enforcement and fire protection
8 officers of the state. Beginning with the fiscal year which begins July 1, 2003, the
9 legislature shall appropriate funds sufficient to fully fund the cost of such state
10 supplement to the salaries of full-time law enforcement and fire protection officers.

11 (b) For the purposes of this Subparagraph, local law enforcement and fire
12 protection officers shall mean and include the same classes of officers which are
13 eligible for such state salary supplements under the law as of July 1, 2003.

14 (c) Full funding as required in Subsubparagraph (a) of this Subparagraph
15 shall be equal to the amount which is required to meet the requirements of law.

16 (d) Neither the governor nor the legislature may reduce an appropriation
17 made pursuant to this Subparagraph except that the governor may reduce such
18 appropriation using means provided in the Act containing the appropriation,
19 provided that two-thirds of the elected members of each house of the legislature
20 consent to any such reduction in writing.

21 (E) Balanced Budget. Appropriations by the legislature from the state
22 general fund and dedicated funds for any fiscal year except funds allocated by
23 Article VII, Section 4, Paragraphs (D) and (E) shall not exceed the official forecast
24 in effect at the time the appropriations are made.

25 (F) Projected Deficit. (1) The legislature by law shall establish a procedure
26 to determine if appropriations will exceed the official forecast and an adequate
27 method for adjusting appropriations in order to eliminate a projected deficit. Any
28 law establishing a procedure to determine if appropriations will exceed the official
29 forecast and methods for adjusting appropriations, including any constitutionally

1 protected or mandated allocations or appropriations, once enacted, shall not be
2 changed except by specific legislative instrument which receives a favorable vote of
3 two-thirds of the elected members of each house of the legislature. Notwithstanding
4 the provisions of Article III, Section 2 of this constitution, such law may be
5 introduced and considered in any regular session of the legislature.

6 (2)(a) Notwithstanding any other provision of this constitution to the
7 contrary, adjustments to any constitutionally protected or mandated allocations or
8 appropriations, and transfer of monies associated with such adjustments, are
9 authorized when state general fund allocations or appropriations have been reduced
10 in an aggregate amount equal to at least seven-tenths of one percent of the total of
11 such allocations and appropriations for a fiscal year. Such adjustments may not
12 exceed five percent of the total appropriation or allocation from a fund for the fiscal
13 year. For purposes of this Subsubparagraph, reductions to expenditures required by
14 Article VIII, Section 13(B) of this constitution shall not exceed one percent and such
15 reductions shall not be applicable to instructional activities included within the
16 meaning of instruction pursuant to the Minimum Foundation Program formula.
17 Notwithstanding any other provisions of this constitution to the contrary, monies
18 transferred as a result of such budget adjustments are deemed available for
19 appropriation and expenditure in the year of the transfer from one fund to another,
20 but in no event shall the aggregate amount of any transfers exceed the amount of the
21 deficit.

22 (b) Notwithstanding any other provision of this constitution to the contrary,
23 for the purposes of the budget estimate and enactment of the budget for the next
24 fiscal year, when the official forecast of recurring revenues for the next fiscal year
25 is at least one percent less than the official forecast for the current fiscal year, the
26 following procedure may be employed to avoid a budget deficit in the next fiscal
27 year. An amount not to exceed five percent of the total appropriations or allocations
28 for the current fiscal year from any fund established by law or this constitution shall
29 be available for expenditure in the next fiscal year for a purpose other than as

1 specifically provided by law or this constitution. For the purposes of this
2 Subsubparagraph, an amount not to exceed one percent of the current fiscal year
3 appropriation for expenditures required by Article VIII, Section 13(B) of this
4 constitution shall be available for expenditures for other purposes in the next fiscal
5 year. Notwithstanding any other provisions of this constitution to the contrary,
6 monies made available as authorized under this Subsubparagraph may be transferred
7 to a fund for which revenues have been forecast to be less than the revenues in the
8 current fiscal year for such fund. Monies transferred as a result of the budget actions
9 authorized by this Subsubparagraph are deemed available for appropriation and
10 expenditure, but in no event shall the aggregate amount of any such transfers exceed
11 the amount of the difference between the official forecast for the current fiscal year
12 and the next fiscal year.

13 (c) The legislature may provide by law for the implementation of the
14 provisions of this Subparagraph.

15 (3) If within thirty days of the determination that appropriations will exceed
16 the official forecast the necessary adjustments in appropriations are not made to
17 eliminate the projected deficit, the governor shall call a special session of the
18 legislature for this purpose unless the legislature is in regular session. This special
19 session shall commence as soon as possible as allowed by the provisions of this
20 constitution, including but not limited to Article III, Section 2(B).

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

23 (a) The Bond Security and Redemption Fund or any bonds secured thereby,
24 or any other funds pledged as security for bonds or other evidences of indebtedness.

25 (b) The allocations provided for by Article VII, Section 4(D) and (E) of this
26 constitution.

27 (c) The contributions made in accordance with Article X, Section 29(E) of
28 this constitution.

1 (d) The Louisiana Education Quality Trust Fund as defined in Article VII,
2 Section 10.1(A)(1) of this constitution.

3 (e) The Millennium Trust as provided in Article VII, Section 10.8 of this
4 constitution, except for appropriations from the trust.

5 (f) Any monies not required to be deposited in the state treasury as provided
6 in Article VII, Section 9 of this constitution.

7 (g) The Medicaid Trust Fund for the Elderly created under the provisions of
8 R.S. 46:2691 et seq.

9 (h) The Revenue Stabilization Trust Fund, as provided in Article VII,
10 Section 10.15 of this constitution.

11 (i) The Louisiana Unclaimed Property Permanent Trust Fund, as provided in
12 Article VII, Section 28 of this Constitution.

13 (j) The State Cybersecurity and Information Technology Infrastructure Fund,
14 as provided in Article VII, Section 10.17 of this constitution.

15 (G) Year End Deficit. If a deficit exists in any fund at the end of a fiscal
16 year, that deficit shall be eliminated no later than the end of the next fiscal year.

17 (H) Publication. The legislature shall have published a regular statement of
18 receipts and expenditures of all state money at intervals of not more than one year.

19 (I) Public Purpose. No appropriation shall be made except for a public
20 purpose.

21 (J) Definition of Funds. For the purposes of this Article, the state general
22 fund and dedicated funds shall be all money required to be deposited in the state
23 treasury, except that money the origin of which is:

24 (1) The federal government.

25 (2) Self-generated collections by any entity subject to the policy and
26 management authority established by Article VIII, Sections 5 through 7.

27 (3) A transfer from another state agency, board, or commission.

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

1 §10-A. Wildlife and Fisheries; Conservation Fund

2 Section 10-A. (A) Conservation Fund. Effective July 1, 1988, there shall
3 be established in the state treasury, as a special fund, the Louisiana Wildlife and
4 Fisheries Conservation Fund, hereinafter referred to as the Conservation Fund. Out
5 of the funds remaining in the Bond Security and Redemption Fund after a sufficient
6 amount is allocated from that fund to pay all obligations secured by the full faith and
7 credit of the state which become due and payable within any fiscal year as required
8 by Article VII, Section 9(B) of this constitution, the treasurer shall pay into the
9 Conservation Fund all of the following, except as provided in Article VII, Section
10 9(A), and except for the amount provided in R.S. 56:10(B)(1)(a) as that provision
11 existed on the effective date of this Section:

12 (1) All revenue from the types and classes of fees, licenses, permits,
13 royalties, or other revenue paid into the Conservation Fund as provided by law on
14 the effective date of this Section. Such revenue shall be deposited in the
15 Conservation Fund even if the names of such fees, licenses, permits, or other
16 revenues are changed.

17 Any increase in the amount charged for such fees, licenses, permits, royalties,
18 and other revenue, or any new fee, license, permit, royalty, or other revenue, enacted
19 by the legislature ~~after the effective date of this Section~~, shall be irrevocably
20 dedicated and deposited in the Conservation Fund unless the legislature enacts a law
21 specifically appropriating or dedicating such revenue to another fund or purpose.

22 ~~(2) The balance remaining on June 30, 1988 in the Conservation Fund~~
23 ~~established pursuant to R.S. 56:10:~~

24 ~~(3)~~(2) All funds or revenues which may be donated expressly to the
25 Conservation Fund.

26 (B) The monies in the Conservation Fund shall be appropriated by the
27 legislature to the Department of Wildlife and Fisheries, or its successor, and shall be
28 used solely for the programs and purposes of conservation, protection, preservation,
29 management, and replenishment of the state's natural resources and wildlife,

1 including use for land acquisition or for federal matching fund programs which
2 promote such purposes, and for the operation and administration of the Department
3 and the Wildlife and Fisheries Commission, or their successors.

4 (C) All unexpended and unencumbered monies in the Conservation Fund at
5 the end of the fiscal year shall remain in the fund. The monies in the fund shall be
6 invested by the treasurer in the manner provided by law. All interest earned on
7 monies invested by the treasurer shall be deposited in the fund. The treasurer shall
8 prepare and submit to the department on a quarterly basis a printed report showing
9 the amount of money contained in the fund from all sources.

10 §10.1. Quality Trust Fund; Education

11 Section 10.1.(A) Louisiana Education Quality Trust Fund. (1) Effective
12 January 1, 1987, there shall be established in the state treasury as a special permanent
13 trust fund the Louisiana Education Quality Trust Fund, hereinafter referred to as the
14 "Permanent Trust Fund." After allocation of money to the Bond Security and
15 Redemption Fund as provided in Article VII, Section 9(B) of this constitution, and
16 notwithstanding Article XIV, Section 10 of this constitution, the treasurer shall
17 deposit in and credit to the Permanent Trust Fund all money which is received after
18 the first one hundred million dollars from the federal government under Section
19 1337(g) of Title 43 of the United States Code which is attributable to mineral
20 production activity or leasing activity on the Outer Continental Shelf which has been
21 held in escrow pending a settlement between the United States and the state of
22 Louisiana; twenty-five percent of the recurring revenues received under Section
23 1337(g) of Title 43 of the United States Code which are attributable to mineral
24 production activity or leasing activity on the Outer Continental Shelf; twenty-five
25 percent of the interest income earned on investment of monies in the Permanent
26 Trust Fund; seventy-five percent of the realized capital gains on investment of the
27 Permanent Trust Fund, unless such percentage is changed by law enacted by two-
28 thirds of the elected members of each house of the legislature; and twenty-five
29 percent of the dividend income earned on investment of the Permanent Trust Fund.

1 No appropriation shall be made from the Permanent Trust Fund. ~~If any such money~~
2 ~~has been received prior to the effective date of this Section, the treasurer shall~~
3 ~~transfer from the state general fund to the Permanent Trust Fund on the effective date~~
4 ~~of this Section an amount of money which shall make the Permanent Trust Fund~~
5 ~~balance equal to the amount of such money previously received, except for the first~~
6 ~~one hundred million dollars.~~ After six hundred million dollars has been credited to
7 the Permanent Trust Fund, the sum of fifty million dollars shall be credited to the
8 Coastal Environment Protection Trust Fund, as established in R.S. 30:313, from
9 those monies received from the federal government under Section 1337(g) of Title
10 43 of the United States Code which is attributable to mineral production activity or
11 leasing activity on the Outer Continental Shelf and which has been held in escrow
12 pending a settlement between the United States and the state of Louisiana; all funds
13 in excess of seven hundred fifty million dollars shall be credited to the Permanent
14 Trust Fund.

15 (2) After allocation of money to the Bond Security and Redemption Fund as
16 provided in Article VII, Section 9(B) of the constitution, and notwithstanding Article
17 XIV, Section 10 of the constitution, seventy-five percent of the recurring revenues
18 received under Section 1337(g) of Title 43 of the United States Code which are
19 attributable to mineral production activity or leasing activity, and the percent
20 remaining of the realized capital gains and interest income and dividend income
21 earned on investment of the Permanent Trust Fund after the deposit required to the
22 Permanent Trust Fund in Paragraph A(1) of this Section shall be deposited and
23 credited to a special fund which is hereby created in the state treasury and which
24 shall be known as the Louisiana Quality Education Support Fund, hereinafter
25 referred to as the "Support Fund".

26 (3) All recurring revenues and interest earnings shall be credited to the
27 respective funds as provided in Subparagraphs (1) and (2) above until the balance in
28 the Permanent Trust Fund equals two billion dollars. After the Permanent Trust
29 Fund reaches a balance of two billion dollars, all interest earnings on the Permanent

1 Trust Fund shall be credited to the Support Fund and all recurring revenues shall be
2 credited to the State General Fund.

3 (B) Investment. The money credited to the Permanent Trust Fund pursuant
4 to Paragraph (A) of this Section shall be permanently credited to the Permanent Trust
5 Fund and shall be invested by the treasurer. Notwithstanding any provision of this
6 constitution or other law to the contrary, a portion of money in the Permanent Trust
7 Fund, not to exceed thirty-five percent, may be invested in stock. The legislature
8 shall provide for procedures for the investment of such monies by law. The treasurer
9 shall contract, subject to the approval of the State Bond Commission, for the
10 management of such investments. The amounts in the Support Fund shall be
11 available for appropriation to pay expenses incurred in the investment and
12 management of the Permanent Trust Fund and for educational purposes only as
13 provided in Paragraphs (C) and (D) of this Section.

14 (C) Reports; Allocation. (1) The State Board of Elementary and Secondary
15 Education and the Board of Regents shall annually submit to the legislature and the
16 governor not less than sixty days prior to the beginning of each regular session of the
17 legislature a proposed program and budget for the expenditure of the monies in the
18 Support Fund. Proposals for such expenditures shall be designed to improve the
19 quality of education and shall specifically designate those monies to be used for
20 administrative costs, as defined and authorized by law.

21 (2) Except for appropriations to pay expenses incurred in the investment and
22 management of the Permanent Trust Fund, the legislature shall appropriate from the
23 Support Fund only for educational purposes provided in Paragraph (D) of this
24 Section and shall appropriate fifty percent of the available funds for higher
25 educational purposes and fifty percent for elementary and secondary educational
26 purposes. Those monies to be used for administrative costs shall be expended for
27 such purposes only if so approved and appropriated by the legislature.

28 (3) The legislature shall appropriate the total amount intended for higher
29 educational purposes to the Board of Regents and the total amount intended for

1 elementary and secondary educational purposes to the State Board of Elementary and
2 Secondary Education which boards shall allocate the monies so appropriated to the
3 programs as previously approved by the legislature.

4 (4) The monies appropriated by the legislature and disbursed from the
5 Support Fund shall not displace, replace, or supplant appropriations from the general
6 fund for elementary and secondary education, including implementing the Minimum
7 Foundation Program, or displace, replace, or supplant funding for higher education.
8 For elementary and secondary education and for higher education, this Paragraph
9 shall mean that no appropriation for any fiscal year from the Support Fund shall be
10 made for any purpose for which a general fund appropriation was made in the
11 previous year unless the total appropriations for that fiscal year from the state general
12 fund for such purpose exceed general fund appropriations for the previous year. This
13 Paragraph shall in no way limit general fund appropriations in excess of the
14 minimum amounts herein established.

15 (D) Disbursement; Higher Education and Elementary and Secondary
16 Education.

17 (1) The treasurer shall disburse not more than fifty percent of the monies in
18 the Support Fund as that money is appropriated by the legislature and allocated by
19 the Board of Regents for any or all of the following higher educational purposes to
20 enhance economic development:

21 (a) The carefully defined research efforts of public and private universities
22 in Louisiana.

23 (b) The endowment of chairs for eminent scholars.

24 (c) The enhancement of the quality of academic, research, or agricultural
25 departments or units within a community college, college, or university. These funds
26 shall not be used for athletic purposes or programs.

27 (d) The recruitment of superior graduate students.

28 (2) The treasurer shall disburse not more than fifty percent of the monies in
29 the Support Fund as that money is appropriated by the legislature and allocated by

1 the State Board of Elementary and Secondary Education for any or all of the
2 following elementary and secondary educational purposes:

3 (a) To provide compensation to city or parish school board professional
4 instructional employees.

5 (b) To insure an adequate supply of superior textbooks, library books,
6 equipment, and other instructional materials.

7 (c) To fund exemplary programs in elementary and secondary schools
8 designed to improve elementary or secondary student academic achievement or
9 vocational-technical skill.

10 (d) To fund carefully defined research efforts, including pilot programs,
11 designed to improve elementary and secondary student academic achievement.

12 (e) To fund school remediation programs and preschool programs.

13 (f) To fund the teaching of foreign languages in elementary and secondary
14 schools.

15 (g) To fund an adequate supply of teachers by providing scholarships or
16 stipends to prospective teachers in academic or vocational-technical areas where
17 there is a critical teacher shortage.

18 §10.2. Coastal Protection and Restoration Fund

19 Section 10.2(A) There shall be established in the state treasury the Coastal
20 Protection and Restoration Fund to provide a dedicated, recurring source of revenues
21 for the development and implementation of a program to protect and restore
22 Louisiana's coastal area.

23 Of revenues received in each fiscal year by the state as a result of the
24 production of or exploration for minerals, hereinafter referred to as mineral revenues
25 from severance taxes, royalty payments, bonus payments, or rentals, and excluding
26 such revenues received by the state as a result of grants or donations when the terms
27 or conditions thereof require otherwise, the treasurer shall make the following
28 allocations:

1 (1) To the Bond Security and Redemption Fund as provided in Article VII,
2 Section 9(B) of this constitution.

3 (2) To the political subdivisions of the state as provided in Article VII,
4 Sections 4(D) and (E) of this constitution.

5 (3) As provided by the requirements of Article VII, Sections 10-A and 10.1
6 of this constitution.

7 (B)(1) After making the allocations provided for in Paragraph (A), the
8 treasurer shall then deposit in and credit to the Coastal Protection and Restoration
9 Fund any amount of mineral revenues that may be necessary to insure that a total of
10 five million dollars is deposited into such fund for the fiscal year from this source;
11 ~~provided that the balance of the fund which consists of mineral revenues from~~
12 ~~severance taxes, royalty payments, bonus payments, or rentals shall not exceed an~~
13 ~~amount provided by law, but in no event shall the amount provided by law be less~~
14 ~~than five hundred million dollars.~~

15 (2) After making the allocations and deposits provided for in Paragraphs (A)
16 and (B)(1) of this Section, the treasurer shall deposit in and credit to the Coastal
17 Protection and Restoration Fund as follows:

18 (a) Ten million dollars of the mineral revenues in excess of six hundred
19 million dollars which remain after the allocations provided for in Paragraph (A) are
20 made by the treasurer.

21 (b) Ten million dollars of the mineral revenues in excess of six hundred fifty
22 million dollars which remain after the allocations provided in Paragraph (A) are
23 made by the treasurer.

24 However, the balance of the fund which consists of mineral revenues from
25 severance taxes, royalty payments, bonus payments, or rentals shall not exceed an
26 amount provided by law, but in no event shall the amount provided by law be less
27 than five hundred million dollars.

28 (C) The money in the fund shall be invested as provided by law and any
29 earnings realized on investment of money in the fund shall be deposited in and

1 credited to the fund. Money from other sources, such as donations, appropriations,
2 or dedications, may be deposited in and credited to the fund; however, the balance
3 of the fund which consists of mineral revenues from severance taxes, royalty
4 payments, bonus payments, or rentals shall not exceed an amount provided by law,
5 but in no event shall the amount provided by law be less than five hundred million
6 dollars. Any unexpended money remaining in the fund at the end of the fiscal year
7 shall be retained in the fund.

8 (D) The money in the fund may be appropriated for purposes consistent with
9 the Coastal Protection Plan developed by the Coastal Protection and Restoration
10 Authority, or its successor.

11 No appropriation shall be made from the fund inconsistent with the purposes
12 of the plan.

13 (E)(1) Subject to Article VII, Sections 9(B) and 10.1 of this constitution, in
14 each fiscal year, the federal revenues that are received by the state generated from
15 Outer Continental Shelf oil and gas activity and eligible, as provided by federal law,
16 to be used for the purposes of this Paragraph shall be deposited and credited by the
17 treasurer to the Coastal Protection and Restoration Fund.

18 (2) Federal revenues credited to the Coastal Protection and Restoration Fund
19 pursuant to this Paragraph shall be used only for the purposes of coastal protection,
20 including conservation, coastal restoration, hurricane protection, and infrastructure
21 directly impacted by coastal wetland losses.

22 (3) The fund balance limitations provided for in Paragraph (B) of this
23 Section relative to the mineral revenues deposited to this fund shall not apply to
24 revenues deposited pursuant to the provisions of this Paragraph.

25 (F)(1) Notwithstanding the provisions of Article VII, Section 10, Article VII,
26 Section 10.3, Article VII, Section 10.8, or any other provision of this constitution to
27 the contrary, if, after July 1, 2006, the state securitizes any portion of the revenues
28 received from the Master Settlement Agreement executed November 23, 1998, and
29 approved by Consent Decree and Final Judgment entered in the case "Richard P.

1 Ieyoub, Attorney General, ex rel. State of Louisiana v. Philip Morris, Incorporated,
2 et al.," bearing Number 98-6473 on the docket of the Fourteenth Judicial District for
3 the parish of Calcasieu, state of Louisiana, the treasurer shall transfer to the fund
4 established in Paragraph ~~A~~ (A) of this Section twenty percent in the aggregate of the
5 revenues received as a result of the securitization occurring after July 1, 2006.

6 (2) The legislature may appropriate up to twenty percent of the funds
7 deposited into the fund pursuant to Subparagraph (1) of this Paragraph to the Barrier
8 Island Stabilization and Preservation Fund to be used for purposes of the Louisiana
9 Coastal Wetlands Conservation and Restoration Program.

10 (3) The fund balance limitations provided for in Paragraph (B) of this
11 Section relative to the mineral revenues deposited to this fund shall not apply to
12 revenues deposited pursuant to the provisions of this Paragraph.

13 §10.3. Budget Stabilization Fund

14 Section 10.3.(A) There is hereby established in the state treasury a Budget
15 Stabilization Fund hereinafter referred to as the fund. Money shall be deposited in
16 the fund as follows:

17 (1) All money available for appropriation from the state general fund and
18 dedicated funds in excess of the expenditure limit, except funds allocated by Article
19 VII, Section 4, Paragraphs (D) and (E), shall be deposited in the fund.

20 (2)(a) All revenues received in each fiscal year by the state in excess of
21 seven hundred fifty million dollars, hereinafter referred to as the base, as a result of
22 the production of or exploration for minerals, hereinafter referred to as mineral
23 revenues, including severance taxes, royalty payments, bonus payments, or rentals,
24 ~~and excluding such revenues designated as nonrecurring pursuant to Article VII,~~
25 ~~Section 10(B) of the constitution,~~ any such revenues received by the state as a result
26 of grants or donations when the terms or conditions thereof require otherwise, and
27 revenues derived from any tax on the transportation of minerals, shall be deposited
28 in the fund after the following allocations of said mineral revenues have been made:

1 (i) To the Bond Security and Redemption Fund as provided by Article VII,
2 Section 9 (B) of this constitution.

3 (ii) To the political subdivisions of the state as provided in Article VII,
4 Sections 4 (D) and (E) of this constitution.

5 (iii) As provided by the requirements of Article VII, Section 10-A and 10.1
6 of this constitution.

7 (b) The base may be increased every ten years beginning in the year 2000
8 by a law enacted by two-thirds of the elected members of each house of the
9 legislature. Any such increase shall not exceed fifty percent in the aggregate of the
10 increase in the consumer price index for the immediately preceding ten years.

11 (3) Twenty-five percent of any money designated in the official forecast as
12 nonrecurring as provided in Article VII, Section 10(D)(2) of this constitution shall
13 be deposited in and credited to the fund.

14 (4) Any money appropriated to the fund by the legislature including any
15 appropriation to the fund from money designated in the official forecast as provided
16 in Article VII, Section 10(D)(2) of this constitution shall be deposited in the fund.

17 (5) An amount equivalent to the money received by the state from the federal
18 government for the reimbursement of costs associated with a federally declared
19 disaster, not to exceed the amount of costs appropriated out of the fund for the same
20 disaster pursuant to Subparagraph (C)(3) of this Section.

21 (B) Money in the fund shall be invested as provided by law. Earnings
22 realized in each fiscal year on the investment of monies in the fund shall be
23 deposited to the credit of the fund. All unexpended and unencumbered monies in the
24 fund at the end of the fiscal year shall remain in the fund.

25 (C) The money in the fund shall not be available for appropriation or use
26 except under the following conditions:

27 (1) If the official forecast of recurring money for the next fiscal year is less
28 than the official forecast of recurring money for the current fiscal year, the
29 difference, not to exceed one-third of the fund shall be incorporated into the next

1 year's official forecast only after the consent of two-thirds of the elected members
2 of each house of the legislature. If the legislature is not in session, the two-thirds
3 requirement may be satisfied upon obtaining the written consent of two-thirds of the
4 elected members of each house of the legislature in a manner provided by law.

5 (2) If a deficit for the current fiscal year is projected due to a decrease in the
6 official forecast, an amount equal to one-third of the fund not to exceed the projected
7 deficit may be appropriated after the consent of two-thirds of the elected members
8 of each house of the legislature. Between sessions of the legislature the
9 appropriation may be made only after the written consent of two-thirds of the elected
10 members of each house of the legislature.

11 (3) If there is a federally declared disaster in the state, up to one-third of the
12 fund, not to exceed the state costs associated with the disaster, may be appropriated
13 after the consent of two-thirds of the elected members of each house of the
14 legislature. Between sessions of the legislature, the appropriation may be made only
15 with written consent of two-thirds of the elected members of each house of the
16 legislature.

17 (4) In no event shall the amount included in the official forecast for the next
18 fiscal year pursuant to Subparagraph (1) of this Paragraph, plus the amount
19 appropriated in the current fiscal year pursuant to Subparagraph (2) of this
20 Paragraph, plus the amount appropriated pursuant to Subparagraph (3) of this
21 Paragraph exceed one-third of the fund balance at the beginning of the current fiscal
22 year.

23 (5) No appropriation or deposit to the fund shall be made if such
24 appropriation or deposit would cause the balance in the fund to exceed four percent
25 of total state revenue receipts for the previous fiscal year.

26 §10.4. Higher Education Louisiana Partnership Fund; Program

27 Section 10.4.(A) Higher Education Louisiana Partnership Fund. (1) There
28 is hereby established a special fund in the state treasury to be known as the Higher
29 Education Louisiana Partnership Fund, hereinafter referred to as the "fund",

1 consisting of monies appropriated annually by the legislature, grants, gifts, and
2 donations received by the state for the purposes of this Section, and other revenues
3 as may be provided by law; provided that no such monies shall come from the
4 allocations provided in Article VII, Section 4, Paragraphs (D) and (E) of this
5 constitution.

6 (2) All unexpended and unencumbered monies in the Higher Education
7 Louisiana Partnership Fund at the end of a fiscal year shall remain in such fund and
8 be available for appropriation in the next fiscal year. The monies in the fund shall
9 be invested by the state treasurer in accordance with state law, and interest earned
10 on the investment of these monies shall be credited to the fund, after compliance
11 with the requirements of Article VII, Section 9(B) of the Constitution of Louisiana,
12 relative to the Bond Security and Redemption Fund.

13 (B) Higher Education Louisiana Partnership Program. (1) Upon
14 appropriation by the legislature, the monies in the fund shall be divided into
15 matching grants for the Higher Education Louisiana Partnership Program which shall
16 be administered by the Board of Regents. The Board of Regents may allocate
17 program funds to each public or independent institution of higher education on a one
18 to one and one-half matching basis or one twenty thousand dollar state matching
19 grant for each thirty thousand dollars raised specifically for the purposes of
20 participation in the Higher Education Louisiana Partnership Program by the
21 institutions of higher education from private sources. The state matching portion
22 shall be allocated by the Board of Regents only after it determines that an eligible
23 institution has accumulated not less than the minimum required amount from private
24 sources for the purposes of the Higher Education Louisiana Partnership Program.

25 (2)(a) No public institution of higher education shall be eligible in any given
26 fiscal year to receive a share of program funds which is greater than that institution's
27 proportion of the full-time equivalent number of students enrolled in public higher
28 education in the state.

1 (b) No independent institution of higher education shall be eligible in any
2 given fiscal year to receive a share of program funds which is greater than that
3 institution's proportion of the full-time equivalent number of students enrolled in
4 independent institutions of higher education in the state.

5 (c) However, if there are monies which have been appropriated to the fund
6 but remain on March first of any fiscal year unallocated to any matching grant, then
7 any participating institution of higher education which has raised the required funds
8 from private sources may apply for and be awarded the number of additional
9 matching grants for which unallocated funding is available and which the institution
10 is able to match. ~~Provided however, that no participating institution shall receive
11 more than fifty percent of available funds in any fiscal year.~~

12 (d) However, the share of the program funds received annually by
13 independent institutions of higher education shall not exceed fifteen percent in the
14 aggregate of the total amount of program funds available for matching grants under
15 this program.

16 (3) State matching funds shall be applied only to private source funds
17 contributed after July 1, 1991, and pledged for the purposes of this Section as
18 certified by the Board of Regents. Pledged contributions shall not be eligible for
19 state matching funds prior to their actual collection.

20 (4) Each institution of higher education may establish its own Higher
21 Education Louisiana Partnership Program fund as a depository for private
22 contributions and state matching funds as provided herein. The state matching funds
23 allocated by the Board of Regents shall be transferred to an institution upon
24 notification that the institution has received and deposited the necessary private
25 contributions in its own Higher Education Louisiana Partnership Program fund.

26 (5) Each institution of higher education, under the supervision and
27 management of its board, shall have the responsibility for the administration of the
28 Higher Education Louisiana Partnership Program at that institution and for
29 maintenance and investment of its fund. The institution shall be responsible for

1 soliciting and receiving gifts from private sources to be used for the purposes of this
2 Section.

3 (6) State matching grants from funds allocated for the Higher Education
4 Louisiana Partnership Program may be made for the purposes of endowed
5 professorships totaling one hundred thousand dollars or more; endowed
6 undergraduate scholarships totaling fifty thousand dollars or more; library
7 acquisitions, laboratory enhancement, or research and instructional equipment
8 acquisitions totaling fifty thousand dollars or more; or facilities construction or
9 renovations totaling one hundred thousand dollars or more.

10 (7) The monies appropriated by the legislature and disbursed from the
11 Higher Education Louisiana Partnership Fund shall not displace, replace, or supplant
12 appropriations for higher education from the general fund or from bond proceeds.
13 This shall mean that no disbursement from the fund for a current fiscal year shall be
14 made for any higher education purpose for which an appropriation was made the
15 previous year from the general fund or from bond proceeds unless the total
16 appropriations for the current fiscal year for higher education from the state general
17 fund or from bond proceeds exceed general fund appropriations or bond proceeds
18 appropriations for higher education for the previous year. This requirement shall in
19 no way limit appropriations from the general fund or from bond proceeds in excess
20 of the minimum amounts herein established.

21 (C) Implementation.

22 The legislature shall provide for the implementation of this Section.

23 §10.5. Mineral Revenue Audit and Settlement Fund

24 Section 10.5.(A) There shall be established in the state treasury the Mineral
25 Revenue Audit and Settlement Fund, hereinafter referred to as the "fund". Of
26 revenues received in each fiscal year by the state through settlements or judgments
27 which equal, in both principal and interest, five million dollars or more for each such
28 settlement or judgment, resulting from underpayment to the state of severance taxes,

1 royalty payments, bonus payments, or rentals, the treasurer shall make the following
2 allocations as required:

3 (1) To the Bond Security and Redemption Fund as provided in Article VII,
4 Section 9(B) of this constitution.

5 (2) To the political subdivisions of the state as provided in Article VII,
6 Section 4(D) and (E) of this constitution.

7 (3) As provided by the requirements of Article VII, Sections 10-A, 10.1,
8 10.2, and 10.3 of this constitution.

9 (B) After making the allocations provided for in Paragraph (A), the treasurer
10 shall then deposit in and credit to the Mineral Revenue Audit and Settlement Fund
11 any such remaining revenues. Any revenues deposited in and credited to the fund
12 shall be considered mineral revenues from severance taxes, royalty payments, bonus
13 payments, or rentals for purposes of determining deposits and credits to be made in
14 and to the Coastal Protection and Restoration Fund as provided in Article VII,
15 Section 10.2 of this constitution. Any revenues deposited in and credited to the fund
16 shall not be considered mineral revenues for purposes of the Budget Stabilization
17 Fund as provided in Article VII, Section 10.3 of this constitution. Money in the fund
18 shall be invested as provided by law. The earnings realized in each fiscal year on the
19 investment of monies in the Mineral Revenue Audit and Settlement Fund shall be
20 deposited in and credited to the Mineral Revenue Audit and Settlement Fund.

21 (C) After making the allocations provided for in ~~Paragraph~~ Paragraphs (A)
22 and (B), the treasurer shall credit thirty-five million dollars to the Coastal Protection
23 and Restoration Fund, and thereafter any monies credited to the fund in any fiscal
24 year may be annually appropriated by the legislature only for the purposes of
25 retirement in advance of maturity through redemption, purchase, or repayment of
26 debt of the state, pursuant to a plan proposed by the State Bond Commission to
27 maximize the savings to the state; for payments against the unfunded accrued
28 liability of the public retirement systems which are in addition to any payments
29 required for the annual amortization of the unfunded accrued liability of the public

1 retirement systems, required by Article X, Section 29 of this constitution; however,
2 any such payment to the public retirement systems shall not be used, directly or
3 indirectly, to fund cost-of-living increases for such systems; and for deposit in the
4 Coastal Protection and Restoration Fund.

5 §10.6. Oilfield Site Restoration Fund

6 Section 10.6.(A) Oilfield Site Restoration Fund. Effective January 4, 1996,
7 there shall be established in the state treasury, as a special fund, the Oilfield Site
8 Restoration Fund, hereinafter referred to as the restoration fund. Out of the funds
9 remaining in the Bond Security and Redemption Fund after a sufficient amount is
10 allocated from that fund to pay all obligations secured by the full faith and credit of
11 the state which become due and payable within any fiscal year as required by Article
12 VII, Section 9(B) of this constitution, the treasurer shall pay into the restoration fund
13 all of the following:

14 (1)(a) All revenue from the types and classes of fees, penalties, other
15 revenues, or judgments associated with site cleanup activities paid into the
16 restoration fund as provided by law on the effective date of this Section. Such
17 revenue shall be deposited in the restoration fund even if the names of such fees,
18 other revenues, or penalties are changed.

19 (b) Any increase in the amount charged for such fees, penalties, other
20 revenues, or judgments associated with site cleanup activities enacted by the
21 legislature after the effective date of this Section, for the purpose of orphaned oilfield
22 site restoration shall be irrevocably dedicated and deposited in the restoration fund.

23 (2) The balance remaining on January 4, 1996 in the Oilfield Site Restoration
24 Fund established by law.

25 (3) All funds or revenues which may be donated expressly to the restoration
26 fund.

27 (4) All site-specific trust account funds established by law.

28 (B) The monies in the restoration fund shall be appropriated by the
29 legislature to the Department of Natural Resources, or its successor, and shall be

1 used solely for the programs and purposes of oilfield site restoration as required by
2 law.

3 (C) All unexpended and unencumbered monies in the restoration fund at the
4 end of the fiscal year shall remain in the fund. The monies in the fund shall be
5 invested by the treasurer in the manner provided by law. All interest earned on
6 monies invested by the treasurer shall be deposited in the fund. The treasurer shall
7 prepare and submit to the department on a quarterly basis a printed report showing
8 the amount of money contained in the fund from all sources.

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

11 §10.7. Oil Spill Contingency Fund

12 Section 10.7.(A) Oil Spill Contingency Fund. Effective January 4, 1996,
13 there shall be established in the state treasury, as a special fund, the Oil Spill
14 Contingency Fund, hereinafter referred to as the contingency fund. Out of the funds
15 remaining in the Bond Security and Redemption Fund after a sufficient amount is
16 allocated from that fund to pay all obligations secured by the full faith and credit of
17 the state which become due and payable within any fiscal year as required by Article
18 VII, Section 9(B) of this constitution, the treasurer shall pay into the contingency
19 fund all of the following, on the effective date of this Section:

20 (1)(a) All revenue from the types and classes of fees, taxes, penalties,
21 judgments, reimbursements, charges, and federal funds collected or other revenue
22 paid into the contingency fund as provided by law on the effective date of this
23 Section. Such revenue shall be deposited in the contingency fund even if the names
24 of such fees, taxes, penalties, judgments, reimbursements, charges, and federal funds
25 collected or other revenues are changed.

26 (b) Any increase in the amount charged for such fees, taxes, penalties,
27 judgments, reimbursements, charges, and federal funds collected or other revenue,
28 or any new fees, taxes, penalties, judgments, reimbursements, charges, and federal
29 funds collected or other revenue enacted by the legislature for the purposes of

1 abatement and containment of actual or threatened unauthorized discharges of oil
2 after the effective date of this Section, shall be irrevocably dedicated and deposited
3 in the contingency fund.

4 (2) The balance remaining on January 4, 1996 in the Oil Spill Contingency
5 Fund established by law.

6 (3) All funds or revenues which may be donated expressly to the
7 contingency fund.

8 (B) The monies in the contingency fund shall be appropriated by the
9 legislature to be used solely for the programs and purposes of abatement and
10 containment of actual or threatened unauthorized discharges of oil as provided by
11 law; and for administrative expenses associated with such programs and purposes as
12 provided by law.

13 (C) All unexpended and unencumbered monies in the contingency fund at
14 the end of the fiscal year shall remain in the fund. The monies in the fund shall be
15 invested by the treasurer in the manner provided by law. All interest earned on
16 monies invested by the treasurer shall be deposited in the fund. The balance of the
17 fund shall not exceed thirty million dollars or otherwise as provided by law.

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

20 §10.8. Millennium Trust

21 Section 10.8. Millennium Trust

22 (A) Creation

23 (1) There shall be established in the state treasury as a special permanent
24 trust the "Millennium Trust". After allocation of money to the Bond Security and
25 Redemption Fund as provided in Article VII, Section 9(B) of this constitution, the
26 treasurer shall deposit in and credit to the Millennium Trust certain monies received
27 as a result of the Master Settlement Agreement, hereinafter the "Settlement
28 Agreement", executed November 23, 1998, and approved by Consent Decree and
29 Final Judgment entered in the case "Richard P. Ieyoub, Attorney General, ex rel.

1 State of Louisiana v. Philip Morris, Incorporated, et al.", bearing Number 98-6473
2 on the docket of the Fourteenth Judicial District for the parish of Calcasieu, state of
3 Louisiana; and all dividend and interest income and all realized capital gains on
4 investment of the monies in the Millennium Trust. The treasurer shall deposit in and
5 credit to the Millennium Trust ~~the following amounts of monies received as a result~~
6 ~~of the Settlement Agreement:~~

7 (a) ~~Fiscal Year 2000-2001, forty-five percent of the total monies received~~
8 ~~that year.~~

9 (b) ~~Fiscal Year 2001-2002, sixty percent of the total monies received that~~
10 ~~year.~~

11 (c) ~~Fiscal Year 2002-2003 and each fiscal year thereafter, seventy-five~~
12 ~~percent of the total monies received as a result of the Settlement Agreement that~~
13 ~~year. However, beginning in Fiscal Year 2011-2012 after the balance in the~~
14 ~~Millennium Trust reaches a total of one billion three hundred eighty million dollars,~~
15 ~~the monies deposited in and credited to the Millennium Trust, received as a result of~~
16 ~~the Settlement Agreement, shall be allocated to the various funds within the~~
17 ~~Millennium Trust as provided in Subsubparagraphs (2)(b), (3)(b), and (4)(b) and (c)~~
18 ~~of this Paragraph.~~

19 (d) ~~For Fiscal Year 2000-2001, Fiscal Year 2001-2002, and Fiscal Year~~
20 ~~2002-2003, ten percent of the total monies received in each of those years for credit~~
21 ~~to the Education Excellence Fund which, notwithstanding the provisions of~~
22 ~~Subparagraph (C)(1) of this Section, shall be appropriated for the purposes provided~~
23 ~~in Subsubparagraph (d) of Subparagraph (3) of Paragraph (C) of this Section.~~

24 (2)(a) The Health Excellence Fund shall be established as a special fund
25 within the Millennium Trust. The treasurer shall credit to the Health Excellence Fund
26 one-third of the Settlement Agreement proceeds deposited each year into the
27 Millennium Trust, and one-third of all investment earnings on the investment of the
28 Millennium Trust. The treasurer shall report annually to the legislature as to the

1 amount of Millennium Trust investment earnings credited to the Health Excellence
2 Fund.

3 (b) Beginning Fiscal Year 2011-2012, and each fiscal year thereafter, the
4 treasurer shall credit to the Health Excellence Fund one-third of all investment
5 earnings on the investment of the Millennium Trust. The treasurer shall report
6 annually to the legislature as to the amount of Millennium Trust investment earnings
7 credited to the Health Excellence Fund.

8 (c) Beginning on July 1, 2012, after allocation of money to the Bond
9 Security and Redemption Fund as provided in Article VII, Section 9(B) of this
10 constitution, the state treasurer shall deposit in and credit to the Health Excellence
11 Fund an amount equal to the revenues derived from the tax levied pursuant to R.S.
12 47:841(B)(3).

13 (3)(a) The Education Excellence Fund shall be established as a special fund
14 within the Millennium Trust. The treasurer shall credit to the Education Excellence
15 Fund one-third of the Settlement Agreement proceeds deposited each year into the
16 Millennium Trust, and one-third of all investment earnings on the investment of the
17 Millennium Trust. The treasurer shall report annually to the legislature and the state
18 superintendent of education as to the amount of Millennium Trust investment
19 earnings credited to the Education Excellence Fund.

20 (b) Beginning Fiscal Year 2011-2012, and each fiscal year thereafter, the
21 treasurer shall credit to the Education Excellence Fund one-third of all investment
22 earnings on the investment of the Millennium Trust. The treasurer shall report
23 annually to the legislature and the state superintendent of education as to the amount
24 of Millennium Trust investment earnings credited to the Education Excellence Fund.

25 (4)(a) The TOPS Fund shall be established as a special fund within the
26 Millennium Trust. The treasurer shall deposit in and credit to the TOPS Fund one-
27 third of the Settlement Agreement proceeds deposited into the Millennium Trust, and
28 one-third of all investment earnings on the investment of the Millennium Trust. The

1 treasurer shall report annually to the legislature as to the amount of Millennium Trust
2 investment earnings credited to the TOPS Fund.

3 (b) Beginning Fiscal Year 2011-2012, and each fiscal year thereafter, the
4 treasurer shall credit to the TOPS Fund one hundred percent of the Settlement
5 Agreement proceeds deposited into the Millennium Trust, and one-third of all
6 investment earnings on the investment of the Millennium Trust. The treasurer shall
7 report annually to the legislature as to the amount of Millennium Trust Settlement
8 Agreement proceeds and investment earnings credited to the TOPS Fund.

9 (c) ~~Upon the effective date of this Subsubparagraph, the state treasurer shall~~
10 ~~deposit, transfer, or otherwise credit funds in an amount equal to such Settlement~~
11 ~~Agreement proceeds deposited in and credited to the Millennium Trust received by~~
12 ~~the state between April 1, 2011 and the effective date of this Subsubparagraph to the~~
13 ~~TOPS Fund.~~

14 (5) The amount of Settlement Agreement revenues deposited in the
15 Millennium Trust and credited to the respective funds may be increased and the
16 amount of such revenues deposited into the Louisiana Fund may be decreased by a
17 specific legislative instrument which receives a favorable vote of two-thirds of the
18 elected members of each house of the legislature.

19 (B) Investment. Monies credited to the Millennium Trust pursuant to
20 Paragraph (A) of this Section shall be invested by the treasurer with the same
21 authority and subject to the same restrictions as the Louisiana Education Quality
22 Trust Fund. However, the portion of monies in the Millennium Trust which may be
23 invested in stock may be increased to no more than fifty percent by a specific
24 legislative instrument which receives a favorable vote of two-thirds of the elected
25 members of each house of the legislature. The legislature shall provide for
26 procedures for the investment of such monies by law. The treasurer may contract,
27 subject to the approval of the State Bond Commission, for the management of such
28 investments and, if a contract is entered into, amounts necessary to pay the costs of
29 the contract shall be appropriated from the Millennium Trust.

1 (C) Appropriations. (1)(a) Appropriations from the Education Excellence
 2 Fund shall be limited to an annual amount not to exceed the estimated aggregate
 3 annual earnings from interest, dividends, and realized capital gains on investment of
 4 the trust allocated as provided by Paragraph (A) of this Section and as recognized by
 5 the Revenue Estimating Conference. Amounts determined to be available for
 6 appropriation shall be those aggregate investment earnings which are in excess of an
 7 inflation factor as determined by the Revenue Estimating Conference. The amount
 8 of realized capital gains on investment which may be included in the aggregate
 9 earnings available for appropriation in any year shall not exceed the aggregate of
 10 earnings from interest and dividends for that year.

11 ~~(b)(i) For Fiscal Year 2011-2012, appropriations from the Health Excellence~~
 12 ~~Fund shall be limited to an annual amount not to exceed the estimated aggregate~~
 13 ~~annual earnings from interest, dividends, and realized capital gains on investment of~~
 14 ~~the trust and credited to the Health Excellence Fund as provided by Subsubparagraph~~
 15 ~~(A)(2)(b) of this Section and as recognized by the Revenue Estimating Conference.~~

16 (ii) For Fiscal Year 2012-2013, and each fiscal year thereafter,
 17 appropriations from the Health Excellence Fund shall be limited to an annual amount
 18 not to exceed the estimated aggregate annual earnings from interest, dividends, and
 19 realized capital gains on investment of the trust and credited to the Health Excellence
 20 Fund as provided by Subsubparagraph (A)(2)(b) of this Section and as recognized
 21 by the Revenue Estimating Conference and the amount of proceeds credited to and
 22 deposited into the Health Excellence Fund as provided by Subsubparagraph (A)(2)(c)
 23 of this Section.

24 ~~(c)(i) For Fiscal Year 2011-2012, appropriations from the TOPS Fund shall~~
 25 ~~be limited to the amount of Settlement Agreement proceeds credited to and deposited~~
 26 ~~into the TOPS Fund as provided by Subsubparagraphs (A)(4)(b) and (c) of this~~
 27 ~~Section, and an annual amount not to exceed the estimated aggregate annual earnings~~
 28 ~~from interest, dividends, and realized capital gains on investment of the trust and~~

1 credited to the TOPS Fund as provided by Subsubparagraph (A)(4)(b) of this Section
2 and as recognized by the Revenue Estimating Conference.

3 (ii) For Fiscal Year 2012-2013, and each fiscal year thereafter,
4 appropriations from the TOPS Fund shall be limited to the amount of annual
5 Settlement Agreement proceeds credited to and deposited into the TOPS Fund as
6 provided in Subsubparagraph (A)(4)(b) of this Section, and an annual amount not to
7 exceed the estimated aggregate annual earnings from interest, dividends, and realized
8 capital gains on investment of the trust and credited to the TOPS Fund as provided
9 in Subsubparagraph (A)(4)(b) of this Section and as recognized by the Revenue
10 Estimating Conference.

11 ~~(iii)~~ (ii) Further, for Fiscal Year 2011-2012, and each fiscal year thereafter,
12 amounts determined to be available for appropriation from the TOPS Fund from
13 interest earnings shall be those aggregate investment earnings which are in excess
14 of an inflation factor as determined by the Revenue Estimating Conference. The
15 amount of realized capital gains on investment which may be included in the
16 aggregate earnings available for appropriation in any year shall not exceed the
17 aggregate of earnings from interest and dividends for that year.

18 (2) Appropriations from the Health Excellence Fund shall be restricted to the
19 following purposes:

20 (a) Initiatives to ensure the optimal development of Louisiana's children
21 through the provision of appropriate health care, including children's health
22 insurance, services provided by school-based health clinics, rural health clinics, and
23 primary care clinics, and early childhood intervention programs targeting children
24 from birth through age four including programs to reduce infant mortality.

25 (b) Initiatives to benefit the citizens of Louisiana with respect to health care
26 through pursuit of innovation in advanced health care sciences, and the provision of
27 comprehensive chronic disease management services.

28 (c) Each appropriation from the Health Excellence Fund shall include
29 performance expectations to ensure accountability in the expenditure of such monies.

1 (3) Appropriations from the Education Excellence Fund shall be limited as
2 follows:

3 (a) Fifteen percent of monies available for appropriation in any fiscal year
4 from the Education Excellence Fund shall be appropriated to the state superintendent
5 of education for distribution on behalf of all children attending private elementary
6 and secondary schools that have been approved by the State Board of Elementary
7 and Secondary Education, both academically and as required for such school to
8 receive money from the state.

9 (b) Appropriations shall be made each year to the Louisiana Educational
10 Television Authority in the amount of seventy-five thousand dollars and to the
11 Louisiana School for the Deaf, the Louisiana School for the Visually Impaired, the
12 Louisiana Special Education Center in Alexandria, the Jimmy D. Long, Sr. Louisiana
13 School for Math, Science, and the Arts, the New Orleans Center for Creative Arts,
14 the Louis Armstrong High School for the Arts, and Thrive Academy, after such
15 schools are operational, to provide for a payment to each school of seventy-five
16 thousand dollars plus an allocation for each pupil equal to the average statewide per
17 pupil amount provided each city, parish, and local school system pursuant to
18 Subsubparagraph ~~(e)~~ (d) of this Subparagraph.

19 (c) Appropriations may be made for independent public schools approved
20 by the State Board of Elementary and Secondary Education or any city, parish, or
21 other local school system, laboratory schools approved by the State Board of
22 Elementary and Secondary Education and operated by a public postsecondary
23 education institution, and for alternative schools and programs which are authorized
24 and approved by the State Board of Elementary and Secondary Education but are not
25 subject to the jurisdiction and management of any city, parish, or local school system
26 to provide for an allocation for each pupil, which shall be the average statewide per
27 pupil amount provided in each city, parish, or local school system pursuant to
28 Subsubparagraph ~~(e)~~ (d) of this Subparagraph.

1 ~~(e)~~ (d) Beginning Fiscal Year 2007-2008 and for each fiscal year thereafter,
2 of the monies available for appropriation after providing for the purposes enumerated
3 in Subsubparagraphs (a), (b), and (c) of this Subparagraph, one hundred percent of
4 the monies available for appropriation in any fiscal year shall be appropriated for
5 each city, parish, and other local school system on a pro rata basis which is based on
6 the ratio of the student population of that school or school system to that of the total
7 state student population as contained in the most recent Minimum Foundation
8 Program.

9 ~~(f)~~ (e) Monies appropriated pursuant to this Subparagraph shall be restricted
10 to expenditure for pre-kindergarten through twelfth grade instructional enhancement
11 for students, including early childhood education programs focused on enhancing the
12 preparation of at-risk children for school, remedial instruction, and assistance to
13 children who fail to achieve the required scores on any tests passage of which are
14 required pursuant to state law or rule for advancement to a succeeding grade or other
15 educational programs approved by the legislature. Expenditures for maintenance or
16 renovation of buildings, capital improvements, and increases in employee salaries
17 are prohibited. The state superintendent of education shall be responsible for
18 allocating all money due private schools.

19 ~~(g)~~ (f) Each recipient entity shall annually prepare and submit to the state
20 Department of Education, hereinafter the "department", a prioritized plan for
21 expenditure of funds it expects to receive in the coming year from the Education
22 Excellence Fund. The plan shall include performance expectations to ensure
23 accountability in the expenditure of such monies. The department shall review such
24 plans for compliance with the requirements of this Subparagraph and to assure that
25 the expenditure plans will support excellence in educational practice. No funds may
26 be distributed to a recipient entity until its plan has received both legislative and
27 departmental approval as provided by law.

28 ~~(h)~~ (g) No amount appropriated as required in this Paragraph shall displace,
29 replace, or supplant appropriations from the general fund for elementary and

1 secondary education, including implementing the Minimum Foundation Program.
 2 This Subsubparagraph shall mean that no appropriation for any fiscal year from the
 3 Education Excellence Fund shall be made for any purpose for which a general fund
 4 appropriation was made in the previous year unless the total appropriations for the
 5 fiscal year from the state general fund for such purpose exceed general fund
 6 appropriations of the previous year. Nor shall any money allocated to a city or parish
 7 school board pursuant to this Paragraph displace, replace, or supplant locally
 8 generated revenue, which means that no allocation to any city or parish school board
 9 from the investment earnings attributable to the Education Excellence Fund shall be
 10 expended for any purpose for which a local revenue source was expended for that
 11 purpose for the previous year unless the total of the local revenue amount expended
 12 that fiscal year exceeds the total of such local revenue amounts for the previous
 13 fiscal year.

14 ~~(i)~~ (h) The treasurer shall maintain within the state treasury a record of the
 15 amounts appropriated and credited for each entity through appropriations authorized
 16 in this Subparagraph and which remain in the state treasury. Notwithstanding any
 17 other provisions of this constitution to the contrary, such amounts, and investment
 18 earnings attributable to such amounts, shall remain to the credit of each recipient
 19 entity at the close of each fiscal year.

20 (4) Appropriations from the TOPS Fund shall be restricted to support of state
 21 programs for financial assistance for students attending Louisiana institutions of
 22 postsecondary education.

23 §10.9. Louisiana Fund

24 Section 10.9. Louisiana Fund

25 (A) The Louisiana Fund is established in the state treasury as a special fund.
 26 After allocation of money to the Bond Security and Redemption Fund as provided
 27 in Article VII, Section 9(B) of this constitution, the treasurer shall deposit in and
 28 credit to the Louisiana Fund all remaining monies received as a result of the
 29 Settlement Agreement after deposits into the Millennium Trust as provided in

1 Section 10.8 of this Article, and all interest income on the investment of monies in
2 the Louisiana Fund. Monies in the Louisiana Fund shall be invested by the treasurer
3 in the same manner as the state general fund.

4 (B) Appropriations from the Louisiana Fund shall be restricted to the
5 following purposes:

6 (1) Initiatives to ensure the optimal development of Louisiana's children
7 through enhancement of educational opportunities and the provision of appropriate
8 health care, which shall include but not be limited to:

9 (a) Early childhood intervention programs targeting children from birth
10 through age four, including programs to reduce infant mortality.

11 (b) Support of state programs for children's health insurance.

12 (c) School-based health clinics, rural health clinics, and primary care clinics.

13 (2) Initiatives to benefit the citizens of Louisiana with respect to health care
14 through pursuit of innovation in advanced health care sciences, provision of
15 comprehensive chronic disease management services, and expenditures for capital
16 improvements for state health care facilities.

17 (3) Provision of direct health care services for tobacco-related illnesses.

18 (4) Initiatives to diminish tobacco-related injury and death to Louisiana's
19 citizens through educational efforts, cessation assistance services, promotion of a
20 tobacco-free lifestyle, and enforcement of the requirements of the Settlement
21 Agreement by the attorney general.

22 (C) ~~Each appropriation from the Louisiana Fund shall include performance~~
23 ~~expectations to ensure accountability in the expenditure of such monies.~~ Any
24 unexpended and unencumbered monies in each fund at the end of a fiscal year shall
25 remain in the respective fund.

26 §10.10. Millennium Leverage Fund

27 Section 10.10. Millennium Leverage Fund

28 (A) Millennium Leverage Fund. Notwithstanding the provisions of Article
29 VII, Sections 10.8 and 10.9 of this constitution, the legislature may provide, by

1 passage of a specific legislative instrument by a favorable vote of two-thirds of the
2 elected members of each house of the legislature, for the deposit of all or a portion
3 of monies received by the state as a result of the Master Settlement Agreement,
4 hereinafter the "Settlement Agreement", executed November 23, 1998, and approved
5 by Consent Decree and Final Judgment entered in the case "Richard P. Ieyoub,
6 Attorney General, ex rel. State of Louisiana v. Philip Morris, Incorporated, et al.",
7 bearing Number 98-6473 on the docket of the Fourteenth Judicial District for the
8 parish of Calcasieu, state of Louisiana; after satisfying the requirements of Article
9 VII, Section 9(B) of this constitution, into the Millennium Leverage Fund which is
10 hereby established as a special permanent trust fund in the state treasury. The
11 Millennium Leverage Fund shall hereinafter be referred to as the "Leverage Fund".

12 (B) Investment. Monies deposited in the Leverage Fund shall be invested
13 and administered by the treasurer. Notwithstanding any provision of this constitution
14 to the contrary, a portion of the monies in the Leverage Fund, not to exceed fifty
15 percent, may be invested in stock. The legislature shall provide for the procedure for
16 the investment of such monies by law. The treasurer shall contract, subject to
17 approval of the State Bond Commission, for the management of such investments.
18 The monies in the Leverage Fund shall be available for appropriation to pay
19 expenses incurred in the investment and management of monies in the fund.

20 (C) Revenue Bonds. The State Bond Commission, or its successor, may
21 issue and sell bonds, notes, or other obligations, hereinafter the "bonds" secured by
22 a pledge of a portion of the monies received by the state as a result of the Settlement
23 Agreement which are otherwise to be deposited in the Leverage Fund as provided
24 in this Section. Such bonds may be issued only in amounts authorized by the
25 legislature by two-thirds of the elected members of each house of the legislature. If
26 settlement revenues are pledged to secure any revenue bonds issued pursuant to this
27 Section, any portion thereof needed to pay principal, interest, or premium, if any, and
28 other obligations incident to the issuance, security, prepayment, defeasance, and
29 payment in respect thereof may be expended by the treasurer without the need for an

1 appropriation, provided that the prepayment or defeasance has been approved by the
 2 legislature. Bonds so issued may also be further secured by a collateralization of all
 3 or a portion of monies in the Leverage Fund. If bonds are issued subject to such a
 4 collateralization, the treasurer may pay from the Leverage Fund any principal,
 5 interest, or premium, if any, and other obligations incident to the issuance, security,
 6 prepayment, defeasance, and payment in respect thereof without the need for an
 7 appropriation, provided that the prepayment or defeasance has been approved by the
 8 legislature. The net proceeds of any bonds issued pursuant to this Section shall be
 9 deposited in and credited to the Leverage Fund. ~~Any revenue bonds issued under~~
 10 ~~authority of this Section shall not be general obligation bonds secured by the full~~
 11 ~~faith and credit of the state.~~

12 (D) Appropriations. (1) The legislature may annually appropriate the bond
 13 proceeds credited to the Leverage Fund and all earnings, income, and realized capital
 14 gains on investment of monies in the Leverage Fund as recognized as available for
 15 appropriation in the official forecast of the Revenue Estimating Conference. The
 16 Revenue Estimating Conference shall include in its forecast of monies available for
 17 appropriation only that amount of earnings, income, and realized capital gains which
 18 are in excess of inflation as determined by the conference.

19 (2) Appropriations may be made only for the following purposes:

20 (a) Twenty-five percent shall be available for appropriation for the purposes
 21 as provided in the TOPS Fund.

22 (b) Twenty-five percent shall be available for appropriation for the purposes
 23 as provided in the Health Excellence Fund.

24 (c) Twenty-five percent shall be available for appropriation as provided in
 25 the Education Excellence Fund.

26 (d) Twenty-five percent shall be available for appropriation as provided in
 27 the Louisiana Fund.

28 (e) The amounts available for appropriation for each of the purposes
 29 contained in Subparagraphs (a) through (c) of this Paragraph may be increased, and

1 the amount available for appropriation for the purposes of Subsubparagraph (d) may
2 be decreased by a specific legislative instrument which receives a favorable vote of
3 two-thirds of the elected members of each house of the legislature.

4 (E) Termination. The legislature may, by passage of a specific legislative
5 instrument by a favorable vote of two-thirds of the elected members of each house
6 of the legislature, provide for the termination of deposits to the Leverage Fund. Any
7 such termination shall be made in such a manner so as to not impair the obligation,
8 validity, or security of any bonds issued under the authority of this Section. Upon
9 termination, the amount of any settlement revenues over and above the amount
10 pledged for security of any bonds issued pursuant to the authority granted in this
11 Section, shall be deposited in and credited as provided in Article VII, Sections 10.8
12 and 10.9 of this Constitution.

13 §10.11. Artificial Reef Development Fund

14 (A) Artificial Reef Development Fund. There shall be established in the state
15 treasury, as a special fund, the Artificial Reef Development Fund. Out of the funds
16 remaining in the Bond Security and Redemption Fund after a sufficient amount is
17 allocated from that fund to pay all obligations secured by the full faith and credit of
18 the state that become due and payable within any fiscal year as required by Article
19 VII, Section 9(B) of this constitution, the treasurer shall pay into the Artificial Reef
20 Development Fund the monies received as provided in Paragraph (B) of this Section.

21 (B) The secretary of the Department of Wildlife and Fisheries is authorized
22 to ~~accept and~~ receive grants, donations of monies, and other forms of assistance from
23 private and public sources that are provided to the state for the purpose of siting,
24 designing, constructing, permitting, monitoring, and otherwise managing an artificial
25 reef system.

26 (C) The monies in the Artificial Reef Development Fund shall be
27 appropriated by the legislature to the Department of Wildlife and Fisheries, or its
28 successor, and shall be allocated solely for the following:

1 (1) For the programs and purposes of siting, designing, constructing,
2 permitting, monitoring, and otherwise managing an artificial reef system.

3 (2) For the salaries of personnel assigned to the Artificial Reef Development
4 Program and for related operating expenses.

5 (3) An amount not to exceed ten percent of the monies deposited to the fund
6 each year and ten percent of the interest income credited to the fund each year may
7 be used by the department to provide funding in association with the wild seafood
8 certification program, particularly in support of wild-caught shrimp, established by
9 the department. Such funding may be used for a subsidy granted to seafood
10 harvesters or processors to assist in their efforts to comply with the certification
11 program requirements and may be used for administration of the program.

12 (4) An amount not to exceed ten percent of the funds deposited to the fund
13 each year and ten percent of the interest income credited to the fund each year may
14 be used by the department to provide funding for inshore fisheries habitat
15 enhancement projects, particularly in support of the Artificial Reef Development
16 Program established by the department. Such funding may be used for grants to
17 nonprofit conservation organizations working in cooperation with the department.

18 (D) All unexpended and unencumbered monies in the Artificial Reef
19 Development Fund at the end of the fiscal year shall remain in the fund. The monies
20 in the fund shall be invested by the treasurer in the manner provided by law. All
21 interest earned on monies invested by the treasurer shall be deposited in the fund.
22 The treasurer shall prepare and submit to the department on a quarterly basis a
23 written report showing the amount of money contained in the fund from all sources.

24 §10.12. Farmers and fishermen assistance programs; Agricultural and Seafood
25 Products Support Fund

26 (A) The legislature is authorized to provide by law for programs to assist
27 Louisiana farmers and fishermen with support and expansion of their industries.

28 (B)(1) The Agricultural and Seafood Products Support Fund is hereby
29 established in the state treasury as a special fund, hereinafter referred to as the

1 "fund". The source of monies in this fund shall be any monies received by the state
2 from the licensing of trademarks or labels for use in promoting Louisiana
3 agricultural and seafood products; grants, gifts, and donations received by the state
4 for the purposes of this Section; any other revenues as may be provided by law; and
5 other monies which may be appropriated by the legislature to the fund. After
6 compliance with the requirements of Article VII, Section 9(B) of this constitution
7 relative to the Bond Security and Redemption Fund, and prior to monies being
8 placed in the state general fund, an amount equal to that deposited into the state
9 treasury from the foregoing sources shall be deposited in and credited to the fund.
10 Monies in the fund shall be subject to appropriation in accordance with Paragraph
11 (2) of this ~~Section~~ Subparagraph. All unexpended and unencumbered monies
12 remaining in the fund at the end of the fiscal year shall remain in the fund. The
13 monies in the fund shall be invested by the state treasurer in the same manner as
14 monies in the state general fund.

15 (2) The monies in the Agricultural and Seafood Products Support Fund may
16 be appropriated solely for the programs and purposes as required by the Department
17 of Economic Development for assistance to Louisiana farmers and fishermen with
18 support and expansion of their industries.

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

21 §10.13. Hospital stabilization formula and assessment; Hospital Stabilization Fund

22 (A) Hospital Stabilization Formula. (1) The legislature may annually adopt
23 a Hospital Stabilization Formula, hereafter referred to in this Section as "the
24 formula", by concurrent resolution by a favorable vote of a majority of the elected
25 members of each house. Such resolution shall be referred to the standing committees
26 of the legislature that hear the general appropriation bill. The formula shall, to the
27 maximum extent possible, enhance the economic viability of Louisiana hospitals and
28 reduce shifting the cost of caring for Louisiana's needy residents to the state's insured
29 residents.

1 (2)(a) The first formula established pursuant to Subparagraph (1) of this
2 Paragraph, which shall require a favorable vote of two-thirds of the elected members
3 of each house for adoption, shall define and establish as the base reimbursement
4 level under the Louisiana medical assistance program provided for in Title XIX of
5 the Social Security Act, hereafter referred to as the "Medicaid Program", to hospitals
6 for inpatient and outpatient services in Fiscal Year 2012-2013. The formula shall
7 also provide for the preservation and protection of rural hospitals as provided for by
8 law. Each formula established thereafter may apply a rate of inflation, which shall
9 not be a negative rate, to the base reimbursement level from the previous formula
10 adopted by the legislature.

11 (b) Each formula shall also include and establish assessments to be paid by
12 hospitals and the basis on which such assessments shall be calculated, provided the
13 amount of the assessments does not exceed the nonfederal share of the
14 reimbursement enhancements.

15 (c) Each formula shall also establish reimbursement enhancements under
16 the Medicaid Program, or its successor, achieving the maximum reimbursement by
17 federal law and resulting in distributing such reimbursement enhancements
18 exclusively among hospitals for hospital services. Reimbursement enhancements
19 may also be distributed for uninsured services delivered.

20 (d) Each formula shall also include any additional provisions necessary to
21 the implementation of the formula. Neither the assessments nor the reimbursement
22 enhancements established in the formula adopted by the legislature shall be
23 implemented until each has been approved by the federal authority which
24 administers the Medicaid Program.

25 (3) The base reimbursement level resulting from the formula shall not be
26 paid from the Hospital Stabilization Fund.

27 (4) No additional assessment shall be collected and any assessment shall be
28 terminated for the remainder of the fiscal year from the date on which any of the
29 following occur:

1 (a) The legislature fails to adopt a formula for the subsequent fiscal year.

2 (b) The Louisiana Department of Health, or its successor or contractors,
3 reduces or does not pay reimbursement enhancements established in the current
4 formula as adopted by the legislature.

5 (c) The appropriations provided for in Subparagraph (B)(2) of this Section
6 are reduced.

7 (5) The treasurer shall return any monies collected after the date of
8 termination of an assessment to the hospital from which it was collected.

9 (B) Appropriation. (1) The legislature shall annually appropriate an amount
10 necessary to fund the base reimbursement level for hospitals established in the most
11 recent formula adopted by the legislature.

12 (2) The legislature shall annually appropriate the balance of the Hospital
13 Stabilization Fund solely to fund the reimbursement enhancements as provided in the
14 most recent formula adopted by the legislature.

15 (3) Notwithstanding Article VII, Section 10(F) of this constitution, neither
16 the governor nor the legislature may reduce the appropriation funding the base
17 reimbursement level or the reimbursement enhancements to satisfy a budget deficit,
18 except the governor may reduce the appropriation to the base reimbursement level
19 if the following occur:

20 (a) Such reduction does not exceed the average reduction of those made to
21 the appropriations and reimbursement for other providers under the Medicaid
22 Program, or its successor; and

23 (b)(i) If the legislature is in session, the reduction is consented to ~~in writing~~
24 by a majority two-thirds of the elected members of each house in a manner provided
25 by law; or

26 (ii) If the legislature is not in session, the reduction is approved by ~~two-thirds~~
27 a majority of the members of the Joint Legislative Committee on the Budget, or its
28 successor.

1 (C) Hospital Stabilization Fund. There is hereby established as a special
2 fund in the state treasury the Hospital Stabilization Fund, hereafter referred to as "the
3 fund". After compliance with the requirements of Article VII, Section 9(B) of this
4 constitution relative to the Bond Security and Redemption Fund, the treasurer shall
5 deposit all proceeds from the assessment collected pursuant to the Hospital
6 Stabilization Formula provided for in this Section. The monies in the fund shall be
7 invested in the same manner as monies in the state general fund, and all interest
8 earned on the investment of the fund shall be deposited in and credited to the fund.
9 Appropriations from the fund shall be restricted to funding the reimbursement
10 enhancements established in the Hospital Stabilization Formula adopted by the
11 legislature for the fiscal year in which the assessment is collected.

12 §10.14. Louisiana Medical Assistance Trust Fund

13 (A) There is hereby established as a special fund in the state treasury the
14 Louisiana Medical Assistance Trust Fund, hereinafter referred to as "the fund",
15 which shall consist of monies generated by fees as provided for in law. Subject to
16 the exceptions contained in Article VII, Section 9(A) of this constitution, and after
17 compliance with the requirements of Article VII, Section 9(B) of this constitution
18 relative to the Bond Security and Redemption Fund, the treasurer shall deposit all
19 proceeds from the fees collected as provided for in laws relative to the Louisiana
20 Medical Assistance Trust Fund into the fund. The monies in the fund shall be
21 invested by the state treasurer in the same manner as monies in the state general
22 fund. All interest earned from the investment of monies in the fund shall be
23 deposited in and remain to the credit of the fund. All unexpended and unencumbered
24 monies remaining in the fund at the close of each fiscal year shall remain in the fund.

25 (B) The treasurer is hereby authorized to establish a separate account within
26 the fund for each health care provider group in which fees are collected according
27 to law. Monies collected from each provider group, and the interest earned on those
28 monies, shall be deposited into the account created for that provider group. Any
29 monies deposited into the fund from sources not required by law, and the interest

1 earned on those monies, shall be deposited into a separate account within the fund,
2 hereafter referred to as "the general account".

3 (C) The legislature is authorized to appropriate monies from the fund only
4 if the appropriation is eligible for federal financial participation under Title XIX of
5 the Social Security Act, or its successor. The balance of each account shall be
6 appropriated for reimbursement of services to the provider group which paid the fee
7 into the account in any fiscal year, except monies deposited into the general account
8 may be appropriated for any Medicaid Program expenditure.

9 (D) The monies appropriated from the provider accounts in the fund shall not
10 be used to displace, replace, or supplant appropriations from the state general fund
11 for the Medicaid Program below the amount of state general fund appropriations to
12 the Medicaid Program for Fiscal Year 2013-2014.

13 (E)(1) The legislature shall annually appropriate the funds necessary to
14 provide for Medicaid Program rates for each provider group which pays fees into the
15 fund that is no less than the average Medicaid Program rates established for Fiscal
16 Year 2013-2014 and which may be adjusted annually by establishing the rates of
17 inflation, or rebasing if applicable, which rates shall not be negative, to be applied
18 to the base rates to establish the new base rates for the next fiscal year as authorized
19 by law. For the purpose of this Section, "Medicaid Program" shall refer to the
20 Louisiana medical assistance program provided for in Title XIX of the Social
21 Security Act, or its successor.

22 (2) Notwithstanding Article VII, Section 10(F) of this constitution, neither
23 the governor nor the legislature may reduce the base rate as provided for in this
24 Paragraph to satisfy a budget deficit, except the governor may reduce the
25 appropriation for the base rate if the following occur:

26 (a) Such reduction does not exceed the average reduction of those made to
27 the appropriations and reimbursement for other providers under the Medicaid
28 Program, or its successor; and

1 (b)(i) If the legislature is in session, the reduction is consented to in writing
2 by two-thirds of the elected members of each house in a manner provided by law; or

3 (ii) If the legislature is not in session, the reduction is approved by ~~two-thirds~~
4 majority of the members of the Joint Legislative Committee on the Budget, or its
5 successor.

6 §10.15. Revenue Stabilization Trust Fund

7 Section 10.15. Revenue Stabilization Trust Fund. (A) The Revenue
8 Stabilization Trust Fund is hereby established in the state treasury as a special trust
9 fund, hereinafter referred to as the "fund".

10 (B) After allocation of money to the Bond Redemption and Security Fund
11 as provided in Article VII, Section 9(B) of the Constitution of Louisiana, the
12 treasurer shall deposit in and credit to the fund the revenues as provided for in
13 Paragraphs (C) and (D) of this Section.

14 (C) The treasurer shall deposit into the fund the amount of mineral revenues
15 as provided in Section 10.16 of this constitution.

16 (D) The treasurer shall deposit into the fund the amount of revenues in
17 excess of six hundred million dollars received each fiscal year from corporate
18 franchise and income taxes as recognized by the Revenue Estimating Conference.

19 (E)(1) ~~Except as provided for in Paragraph (F) of this Section, monies~~
20 Monies deposited into the Revenue Stabilization Trust Fund shall be permanently
21 credited to the trust fund and shall be invested by the treasurer in a manner provided
22 for by law.

23 (2) The treasurer shall deposit all interest or other income from investment
24 generated from the fund into the state general fund.

25 (F)(1) Except as provided in Subparagraphs (2) and (3) of this Paragraph,
26 no appropriations shall be made from the Revenue Stabilization Trust Fund.

27 (2)(a) In any fiscal year in which the balance of the fund at the beginning of
28 the year is in excess of five billion dollars, hereinafter referred to as the minimum
29 fund balance, the legislature may appropriate an amount not to exceed ten percent

1 of the fund balance, hereinafter referred to as the allowable percentage, for the
2 following:

3 (i) Capital outlay projects in the comprehensive state capital budget.

4 (ii) Transportation infrastructure.

5 (b) The minimum fund balance or the allowable percentage may be changed
6 by a law enacted by two-thirds of the elected members of each house of the
7 legislature.

8 (3) In order to ensure the money in the fund is available for appropriation in
9 an emergency, the legislature may authorize an appropriation from the fund at any
10 time for any purpose, only after the consent of two-thirds of the elected members of
11 each house of the legislature. If the legislature is not in session, the two-thirds
12 requirement may be satisfied upon obtaining the written consent of two-thirds of the
13 elected members of each house of the legislature in a manner provided by law.

14 §10.16. Dedications of Mineral Revenues

15 Section 10.16.(A) All mineral revenues as defined in Paragraph (D) of this
16 Section received in each fiscal year by the state of Louisiana as a result of the
17 production of or exploration for minerals, hereinafter referred to as "mineral
18 revenues", shall be allocated as provided in this Section after the following
19 allocations and deposits of mineral revenues have been made:

20 (1) To the Bond Security and Redemption Fund as provided in Article VII,
21 Section 9 (B) of this constitution.

22 (2) To the political subdivisions of the state as provided in Article VII,
23 Sections 4 (D) and (E) of this constitution.

24 (3) To the Louisiana Wildlife and Fisheries Conservation Fund as provided
25 by the requirements of Article VII, Section 10-A of this constitution and as provided
26 by law.

27 (4) To the Louisiana Wildlife and Fisheries Conservation Fund and the Oil
28 and Gas Regulatory Fund as provided by law.

1 (5) To the Rockefeller Wildlife Refuge and Game Preserve Fund as provided
2 by law.

3 (6) To the Marsh Island Operating Fund and the Russell Sage or Marsh
4 Island Refuge Fund as provided by law.

5 (7) To the MC Davis Conservation Fund as provided by law.

6 (8) To the White Lake Property Fund as provided by law.

7 (9) To the Louisiana Education Quality Trust Fund and Louisiana Quality
8 Education Support Fund as provided in Article VII, Section 10.1 of this constitution.

9 (10) To the Coastal Protection and Restoration Fund as provided in Article
10 VII, Section 10.2 of this constitution and as provided by law.

11 (11) To the Mineral Revenue and Audit Settlement Fund as provided in
12 Article VII, Section 10.5 of this constitution and as provided by law.

13 (12) To the Budget Stabilization Fund as provided in Article VII, Section
14 10.3 of this constitution and as provided by law.

15 (13) ~~An amount equal to the state general fund deposited into~~ To the
16 Transportation Trust Fund and the Louisiana State Transportation Infrastructure
17 Fund as provided by law.

18 (B) Allocation of Mineral Revenues. After the allocations and deposits
19 provided in Paragraph (A) of this Section, the mineral revenues received in each year
20 in excess of six hundred sixty million dollars and less than nine hundred fifty million
21 dollars shall be allocated as follows:

22 (1) Thirty percent shall be appropriated to the Louisiana State Employees'
23 Retirement System and the Teachers' Retirement System of Louisiana for application
24 to the balance of the unfunded accrued liability of such systems existing as of June
25 30, 1988, in proportion to the balance of such unfunded accrued liability of each such
26 system, until such unfunded accrued liability has been eliminated. Any such
27 payments to the public retirement systems shall not be used, directly or indirectly,
28 to fund cost-of-living increases for such systems.

1 (2) The remainder shall be deposited into the Revenue Stabilization Trust
2 Fund.

3 (C) Mineral revenues in excess of the base which would otherwise be
4 deposited into the Budget Stabilization Fund under Subparagraph (A)(2) of Section
5 10.3 of this constitution, but are prohibited from being deposited into the fund under
6 Subparagraph (C)(4) of Section 10.3 of this constitution, shall be distributed as
7 follows:

8 (1) Thirty percent shall be appropriated to the Louisiana State Employees'
9 Retirement System and the Teachers' Retirement System of Louisiana for application
10 to the balance of the unfunded accrued liability of such systems existing as of June
11 30, 1988, in proportion to the balance of such unfunded accrued liability of each such
12 system, until such unfunded accrued liability has been eliminated. Any such
13 payments to the public retirement systems shall not be used, directly or indirectly,
14 to fund cost-of-living increases for such systems.

15 (2) The remainder shall be deposited into the Revenue Stabilization Trust
16 Fund.

17 (D) For purposes of this Section, "mineral revenues" shall include severance
18 taxes, royalty payments, bonus payments, or rentals, with the following exceptions:

19 (1) Revenues designated as nonrecurring, pursuant to Article VII, Section
20 10(B) of this constitution.

21 (2) Revenues received by the state as a result of grants or donations when the
22 terms or conditions thereof require otherwise.

23 (3) Revenues derived from any tax on the transportation of minerals.

24 §10.17. State Cybersecurity and Information Technology Infrastructure Fund

25 Section 10.17. State Cybersecurity and Information Technology
26 Infrastructure Fund.

27 (A) The State Cybersecurity and Information Technology Infrastructure
28 Fund is hereby established in the state treasury as a special fund, hereinafter referred
29 to as the "fund". After allocation of money to the Bond Redemption and Security

1 Fund as provided in Article VII, Section 9(B) of this constitution, the treasurer shall
2 deposit in and credit to the fund the revenues as provided for in Paragraph (B) of this
3 Section.

4 (B)(1) Except as provided in Subparagraph (2) of this Paragraph, the
5 treasurer shall deposit forty-five thousandths of all money available for appropriation
6 from the state general fund.

7 (2) Monies in the state general fund received by the state or by any state
8 board, agency, or commission, but pledged in connection with issuance of bonds
9 shall not be deposited in the fund.

10 (3) At the end of the fiscal year, all unexpended and unencumbered monies
11 in the fund shall remain in the fund. Monies deposited into the fund shall be
12 permanently credited to the fund and shall be invested by the treasurer in a manner
13 provided for by law and any earnings realized on investment of money in the fund
14 shall be deposited in and credited to the fund.

15 (4) The legislature may authorize changes to this Paragraph regarding the
16 rate of dedicated revenue and source of the funds but only by enactment of a law by
17 a vote of the elected members of each house of the legislature.

18 (C)(1) Appropriations from the State Cybersecurity and Information
19 Technology Infrastructure Fund shall be expended solely for support of projects to
20 enhance or upgrade the state's information technology infrastructure or cybersecurity
21 needs.

22 (2) The legislature may authorize the creation and establishment of a
23 committee to assist in the consideration of priorities for the funding of cybersecurity
24 and information technology infrastructure projects through appropriations of the
25 fund with the consent of a majority of the elected members of each house of the
26 legislature.

27 §11. Budgets

28 Section 11.(A) Budget Estimate. The governor shall submit to the
29 legislature, at the time and in the form fixed by law, a budget estimate for the next

1 fiscal year setting forth all proposed state expenditures. This budget shall include
2 a recommendation for appropriations from the state general fund and from dedicated
3 funds, except funds allocated by Article VII, Section 4, Paragraphs (D) and (E),
4 which shall not exceed the official forecast of the Revenue Estimating Conference
5 and the expenditure limit for the fiscal year. The recommendation shall also comply
6 with the provisions of Article VII, Section 10(D). This budget shall include a
7 recommendation for funding of state salary supplements for full-time law
8 enforcement and fire protection officers of the state, as provided in Article VII,
9 Section 10(D)(3) of this constitution.

10 (B) Operating Budget. The governor shall cause to be submitted a general
11 appropriation bill for proposed ordinary operating expenditures which shall be in
12 conformity with the recommendations for appropriations contained in the budget
13 estimate. The governor may cause to be submitted a bill or bills to raise additional
14 revenues with proposals for the use of these revenues.

15 (C) Capital Budget. The governor shall submit to the legislature, at each
16 regular session, a proposed five-year capital outlay program and request
17 implementation of the first year of the program. Prior to inclusion in the
18 comprehensive capital budget which the legislature adopts, each capital improvement
19 project shall be evaluated through a feasibility study, as defined by the legislature,
20 which shall include an analysis of need and estimates of construction and operating
21 costs. The legislature shall provide by law for procedures, standards, and criteria for
22 the evaluation of such feasibility studies and ~~shall~~ set the schedule of submission of
23 such feasibility studies which shall take effect not later than December thirty-first
24 following the first regular session convening after this Paragraph takes effect. These
25 procedures, standards, and criteria for evaluation of such feasibility studies cannot
26 be changed or altered except by a separate legislative instrument approved by a
27 favorable vote of two-thirds of the elected members of each house of the legislature.
28 For those projects not eligible for funding under the provisions of Article VII,
29 Section 27 of this constitution, the request for implementation of the first year of the

1 program shall include a list of the proposed projects in priority order based on the
2 evaluation of the feasibility studies submitted. Capital outlay projects approved by
3 the legislature shall be made a part of the comprehensive state capital budget, which
4 shall be adopted by the legislature.

5 §12. Reports and Records

6 Section 12. Reports and records of the collection, expenditure, investment,
7 and use of state money and those relating to state obligations shall be matters of
8 public record, except returns of taxpayers and matters pertaining to those taxpayer
9 returns.

10 §13. Investment of State Funds

11 Section 13. All money in the custody or control of the state treasurer which
12 is available for investment shall be invested as provided by law.

13 §14. Donation, Loan, or Pledge of Public Credit

14 Section 14.(A) Prohibited Uses. Except as otherwise provided by this
15 constitution, the funds, credit, property, or things of value of the state ~~or of any~~
16 ~~political subdivision~~ shall not be loaned, pledged, or donated to or for any person,
17 association, or corporation, public or private. Except as otherwise provided in this
18 Section, neither the state nor a political subdivision shall subscribe to or purchase the
19 stock of a corporation or association or for any private enterprise.

20 (B) Authorized Uses. Nothing in this Section shall prevent (1) the use of
21 public funds for programs of social welfare for the aid and support of the needy; (2)
22 contributions of public funds to pension and insurance programs for the benefit of
23 public employees; (3) the pledge of public funds, credit, property, or things of value
24 for public purposes with respect to the issuance of bonds or other evidences of
25 indebtedness to meet public obligations as provided by law; (4) the return of
26 property, including mineral rights, to a former owner from whom the property had
27 previously been expropriated, or purchased under threat of expropriation, when the
28 legislature by law declares that the public and necessary purpose which originally
29 supported the expropriation has ceased to exist and orders the return of the property

1 to the former owner under such terms and conditions as specified by the legislature;
2 (5) acquisition of stock by any institution of higher education in exchange for any
3 intellectual property; (6) the donation of abandoned or blighted housing property by
4 the governing authority of a municipality or a parish to a nonprofit organization
5 which is recognized by the Internal Revenue Service as a 501(c)(3) or 501(c)(4)
6 nonprofit organization and which agrees to renovate and maintain such property until
7 conveyance of the property by such organization; (7) the deduction of any tax,
8 interest, penalty, or other charges forming the basis of tax liens on blighted property
9 so that they may be subordinated and waived in favor of any purchaser who is not
10 a member of the immediate family of the blighted property owner or which is not
11 any entity in which the owner has a substantial economic interest, but only in
12 connection with a property renovation plan approved by an administrative hearing
13 officer appointed by the parish or municipal government where the property is
14 located; (8) the deduction of past due taxes, interest, and penalties in favor of an
15 owner of a blighted property, but only when the owner sells the property at less than
16 the appraised value to facilitate the blighted property renovation plan approved by
17 the parish or municipal government and only after the renovation is completed such
18 deduction being canceled, null and void, and to no effect in the event ownership of
19 the property in the future reverts back to the owner or any member of his immediate
20 family; (9) the donation by the state of asphalt which has been removed from state
21 roads and highways to the governing authority of the parish or municipality where
22 the asphalt was removed, or if not needed by such governing authority, then to any
23 other parish or municipal governing authority, but only pursuant to a cooperative
24 endeavor agreement between the state and the governing authority receiving the
25 donated property; (10) the investment in stocks of a portion of the Rockefeller
26 Wildlife Refuge Trust and Protection Fund, created under the provisions of ~~R.S.~~
27 ~~56:797~~ law, and the Russell Sage or Marsh Island Refuge Fund, created under the
28 provisions of ~~R.S. 56:798~~ law, such portion not to exceed thirty-five percent of each
29 fund; (11) the investment in stocks of a portion of the state-funded permanently

1 endowed funds of a public or private college or university, not to exceed thirty-five
2 percent of the public funds endowed; (12) the investment in equities of a portion of
3 the Medicaid Trust Fund for the Elderly created under the provisions of R.S. 46:2691
4 et seq., such portion not to exceed thirty-five percent of the fund; (13) the investment
5 of public funds to capitalize a state infrastructure bank and the loan, pledge, or
6 guarantee of public funds by a state infrastructure bank solely for transportation
7 projects; or (14) pursuant to a written agreement, the donation of the use of public
8 equipment and personnel by a political subdivision upon request to another political
9 subdivision for an activity or function the requesting political subdivision is
10 authorized to exercise.

11 (C) Cooperative Endeavors. For a public purpose, the state and its political
12 subdivisions or political corporations may engage in cooperative endeavors with
13 each other, with the United States or its agencies, or with any public or private
14 association, corporation, or individual.

15 (D) Prior Obligations. Funds, credit, property, or things of value of the state
16 or of a political subdivision heretofore loaned, pledged, dedicated, or granted by
17 prior state law or authorized to be loaned, pledged, dedicated, or granted by the prior
18 laws and constitution of this state shall so remain for the full term as provided by the
19 prior laws and constitution and for the full term as provided by any contract, unless
20 the authorization is revoked by law enacted by two-thirds of the elected members of
21 each house of the legislature prior to the vesting of any contractual rights pursuant
22 to this Section.

23 (E) Surplus Property. Nothing in this Section shall prevent the donation or
24 exchange of movable surplus property between or among political subdivisions
25 whose functions include public safety.

26 §15. Release of Obligations to State, Parish, or Municipality

27 Section 15. The legislature shall have no power to release, extinguish, or
28 authorize the releasing or extinguishing of any indebtedness, liability, or obligation
29 of a corporation or individual to the state, a parish, or a municipality, except as

1 provided by law. ~~However, the~~ The legislature, by law, may establish a system
2 under which claims by the state or a political subdivision may be compromised, and
3 may provide for the release of heirs to confiscated property from taxes due thereon
4 at the date of its reversion to them.

5 §16. Taxes; Prescription

6 Section 16. Taxes, ~~except~~ excluding real property taxes, and licenses shall
7 prescribe in three years after the thirty-first day of December in the year in which
8 they are due, but prescription may be interrupted or suspended as provided by law.

9 §17. Legislation to Obtain Federal Aid

10 Section 17. The legislature may enact laws to enable the state, its
11 governmental entities, agencies, boards, commissions, and political subdivisions and
12 their agencies to comply with federal laws and regulations in order to secure federal
13 participation in funding capital improvement projects.

14 PART II. PROPERTY TAXATION

15 §18. Ad Valorem Taxes

16 Section 18.(A) Assessments. Property subject to ad valorem taxation shall
17 be listed on the assessment rolls at its assessed valuation, which, except as provided
18 in Paragraphs (C), (F), and (G), shall be a percentage of its fair market value. The
19 percentage of fair market value shall be uniform throughout the state upon the same
20 class of property.

21 (B) Classification. (1) The classifications of property subject to ad valorem
22 taxation and the percentage of fair market value applicable to each classification for
23 the purpose of determining assessed valuation ~~are as follows:~~

Classifications	Percentages
24 1. Land	10%
25 2. Improvements for residential purposes	10%
26 3. Electric cooperative properties, excluding land	15%
27 4. Public service properties, excluding land	25%
28 5. Other property	15%

1 shall be established by law, which shall include provisions to ensure the equitable
2 assessment of properties statewide, and shall be enacted by a specific legislative
3 instrument which receives a favorable vote of two-thirds of the elected members of
4 each house of the legislature. The legislature may enact laws defining electric
5 cooperative properties and public service properties.

6 (2) The total amount of ad valorem taxes collected by any taxing authority
7 in the first tax year beginning after an enactment by the legislature that changes the
8 classifications of or fair market values for property assessments shall not be
9 increased or decreased, as a result of the enactment, above or below the amount of
10 ad valorem taxes collected in the year preceding the enactment. To accomplish this
11 result, it shall be mandatory for each affected taxing authority to adjust millages
12 upwards or downwards without regard to millage limitations otherwise contained in
13 this constitution. The maximum authorized millages shall be increased or decreased
14 in proportion to the amount of adjustment upward or downward. Thereafter, such
15 millages shall remain in effect unless changed as permitted by this constitution. In
16 no way shall the provisions of this Subparagraph be interpreted to affect the
17 imposition and collection of revenue from a new millage or the renewal of a millage.

18 (C) Use Value. Bona fide agricultural, horticultural, marsh, and timber
19 lands, as defined by general law, shall be assessed for tax purposes at ten percent of
20 use value rather than fair market value. The legislature may provide by law similarly
21 for buildings of historic architectural importance.

22 (D) Valuation. Each assessor shall determine the fair market value of all
23 property subject to taxation within his respective parish or district except public
24 service properties, which shall be valued at fair market value by the Louisiana Tax
25 Commission or its successor. Each assessor shall determine the use value of
26 property which is to be so assessed under the provisions of Paragraph (C). Fair
27 market value and use value of property shall be determined in accordance with
28 criteria which shall be established by law and which shall apply uniformly
29 throughout the state.

1 (E) Review. The correctness of assessments by the assessor shall be subject
2 to review first by the parish governing authority, then by the Louisiana Tax
3 Commission or its successor, and finally by the courts, all in accordance with
4 procedures established by law.

5 (F) Reappraisal. (1) All property subject to taxation shall be reappraised
6 and valued in accordance with this Section, at intervals of not more than four years.

7 (2)(a) In the year of implementation of a reappraisal as required in
8 Subparagraph (1) of this Paragraph, solely for purposes of determining the ad
9 valorem tax imposed on residential property subject to the homestead exemption as
10 provided in Section 20 of this Article, if the assessed value of immovable property
11 increases by an amount which is greater than fifty percent of the property's assessed
12 value in the previous year, the collector shall phase-in the additional tax liability
13 resulting from the increase in the property's assessed value over a four-year period
14 as follows:

15 (i) For purposes of calculating the ad valorem taxes on the property in the
16 first levy following reappraisal, the collector shall use the property's assessed value
17 from the previous year, which shall be called the base amount as used in this
18 Subparagraph, and shall increase the portion of the assessed value of the property
19 used to calculate ad valorem taxes by adding an amount which is equal to one-fourth
20 of the amount of the increase in the property's assessed value as a result of the
21 reappraisal to the base amount. This resulting amount shall constitute the property's
22 taxable value and shall be used solely for purposes of calculating ad valorem taxes
23 for that taxable year.

24 (ii) For purposes of calculating the ad valorem taxes on the property in the
25 second levy following reappraisal, the collector shall increase the portion of the
26 assessed value of the property used to calculate ad valorem taxes by adding an
27 amount which is equal to one-half of the amount of the increase in the property's
28 assessed value as a result of the reappraisal to the base amount. This resulting

1 amount shall constitute the property's taxable value and shall be used solely for
2 purposes of calculating ad valorem taxes for that taxable year.

3 (iii) For purposes of calculating the ad valorem taxes on the property in the
4 third levy following reappraisal, the collector shall increase the portion of the
5 assessed value of the property used to calculate ad valorem taxes by adding an
6 amount which is equal to three-quarters of the amount of the increase in the
7 property's assessed value as a result of the reappraisal to the base amount. This
8 resulting amount shall constitute the property's taxable value and shall be used solely
9 for purposes of calculating ad valorem taxes for that taxable year.

10 (iv) In the fourth levy following reappraisal, the collector shall calculate ad
11 valorem taxes based on the property's full assessed value.

12 (b) The provisions of this Subparagraph providing for a phase-in of
13 additional ad valorem tax liability following reappraisal shall cease to apply upon the
14 transfer or conveyance of ownership of the property. Following a transfer or
15 conveyance, the collector shall calculate ad valorem taxes based on the property's
16 full assessed value.

17 (c) Property subject to the provisions of this Subparagraph shall not be
18 subject to reappraisal by an assessor until after the four-year phase-in of the amount
19 of the increase in the property's assessed value is complete.

20 (d) Notwithstanding any provision of this constitution to the contrary, the
21 increase in assessed valuation of property phased-in under this Subparagraph shall
22 be included as taxable property for purposes of any subsequent reappraisals and
23 valuation for millage adjustment purposes under Article VII, Section 23(B) of this
24 constitution. The decrease in the total amount of ad valorem tax collected by a
25 taxing authority as a result of this phase-in of assessed valuation shall be absorbed
26 by the taxing authority and shall not create any additional tax liability for other
27 taxpayers in the taxing district as a result of any subsequent reappraisal and valuation
28 or millage adjustment. Implementation of this phase-in of increase in assessed
29 valuation authorized in this Subparagraph shall neither trigger nor be cause for a

1 reappraisal of property or an adjustment of millages pursuant to the provisions of
2 Article VII, Section 23(B) of this constitution.

3 (e) The provisions of this Subparagraph shall not apply to the extent the
4 increase was attributable to construction on or improvements to the property.

5 (G) Special Assessment Level.

6 (1)(a)(i) The assessment of residential property receiving the homestead
7 exemption which is owned and occupied by any of the following and who meet all
8 of the other requirements of this Section shall not be increased above the total
9 assessment of that property for the first year that the owner qualifies for and receives
10 the special assessment level, provided that such person or persons remain qualified
11 for and receive the special assessment level:

12 (aa) People who are sixty-five years of age or older.

13 (bb) People who have a service-connected disability rating of fifty percent
14 or more by the United States Department of Veterans Affairs.

15 (cc) Members of the armed forces of the United States or the Louisiana
16 National Guard who owned and last occupied such property who are killed in action,
17 or who are missing in action or are a prisoner of war for a period exceeding ninety
18 days.

19 (dd) Any person or persons permanently totally disabled as determined by
20 a final non-appealable judgment of a court or as certified by a state or federal
21 administrative agency charged with the responsibility for making determinations
22 regarding disability.

23 (ii) Any person or persons shall be prohibited from receiving the special
24 assessment as provided in this Section if such person's or persons' adjusted gross
25 income, as reported in the federal tax return for the year prior to the application for
26 the special assessment, exceeds one hundred thousand dollars. For persons applying
27 for the special assessment whose filing status is married filing separately, the
28 adjusted gross income for purposes of this Section shall be determined by combining
29 the adjusted gross income on both federal tax returns. Beginning for the tax year

1 2026, and for each tax year thereafter, the one hundred thousand dollar limit shall be
2 adjusted annually by the Consumer Price Index as reported by the United States
3 Government.

4 (iii) An eligible owner or the owner's spouse or other legally qualified
5 representative shall apply for the special assessment level by filing a signed
6 application establishing that the owner qualifies for the special assessment level with
7 the assessor of the parish or, in the parish of Orleans, the assessor of the district
8 where the property is located.

9 (iv) An owner who is below the age of sixty-five and who has applied for
10 and received the special assessment level may qualify for and receive the special
11 assessment level in the subsequent year by certifying to the assessor of the parish,
12 or in the parish of Orleans, the assessor of the district where the property is located,
13 that such person or persons' adjusted gross income in the prior tax year satisfied the
14 income requirement of this Section. The provisions of this Subsubparagraph (a)(iv)
15 shall not apply to an owner who has qualified for and received the special assessment
16 level for persons sixty-five years of age or older or to such owner's surviving spouse
17 as described in Subsubparagraph (a)(i) of this Subparagraph.

18 (b) Any millage rate applied to the special assessment level shall not be
19 subject to a limitation.

20 (2) Provided such owner is qualified for and receives the special assessment
21 level, the special assessment level shall remain on the property as long as:

22 (a)(i) The owner who is sixty-five years of age or older, or that owner's
23 surviving spouse who is fifty-five years of age or older or who has minor children,
24 remains the owner of the property.

25 (ii) The owner who has a service-connected disability of fifty percent or
26 more, or that owner's surviving spouse who is forty-five years of age or older or who
27 has minor children, remains the owner of the property.

28 (iii) The spouse of the owner who is killed in action remains the owner of the
29 property.

1 (iv) The first day of the tax year following the tax year in which an owner
2 who was missing in action or was a prisoner of war for a period exceeding ninety
3 days is no longer missing in action or a prisoner of war.

4 (v) Even if the ownership interest of any surviving spouse or spouse of an
5 owner who is missing in action as provided for in this Subparagraph is an interest in
6 usufruct.

7 (b) The value of the property does not increase more than twenty-five
8 percent because of construction or reconstruction.

9 (3) A new or subsequent owner of the property may claim a special
10 assessment level when eligible under this Section. The new owner is not necessarily
11 entitled to the same special assessment level on the property as when that property
12 was owned by the previous owner.

13 (4)(a) The special assessment level on property that is sold shall
14 automatically expire on the last day of December in the year prior to the year that the
15 property is sold. The property shall be immediately revalued at fair market value by
16 the assessor and shall be assessed by the assessor on the assessment rolls in the year
17 it was sold at the assessment level provided for in Article VII, Section 18 of the
18 Constitution of Louisiana.

19 (b) This new assessment level shall remain in effect until changed as
20 provided by this Section or this Constitution.

21 (5)(a) Any owner entitled to the special assessment level set forth in this
22 Paragraph who is unable to occupy the homestead on or before December thirty-first
23 of a future calendar year due to damage or destruction of the homestead caused by
24 a disaster or emergency declared by the governor shall be entitled to keep the special
25 assessment level of the homestead prior to its damage or destruction on the repaired
26 or rebuilt homestead provided the repaired or rebuilt homestead is reoccupied by the
27 owner within five years from December thirty-first of the year following the disaster.
28 The assessed value of the land and buildings on which the homestead was located
29 prior to its damage shall not be increased above its assessed value immediately prior

1 to the damage or destruction described in this Subsubparagraph. If the property
2 owner receives a homestead exemption on another homestead during the same five-
3 year period, the damaged or destroyed property shall not be entitled to keep the
4 special assessment level, and the land and buildings shall be assessed in that year at
5 the percentage of fair market value set forth in this constitution. In addition, the
6 owner shall also maintain the homestead exemption set forth in Article VII, Section
7 20(A)(10) to qualify for the special assessment level in this Subsubparagraph.

8 (b) Any owner entitled to the special assessment level set forth in
9 Subsubparagraph (a) of this Subparagraph who is unable to reoccupy his homestead
10 within five years from December thirty-first of the year following the disaster shall
11 be eligible for an extension of the special assessment level on the homestead for a
12 period not to exceed two years. A homeowner shall be eligible for this extension
13 only if the homeowner's damage claim is filed and pending in a formal appeal
14 process with any federal, state, or local government agency or program offering
15 grants or assistance for repairing or rebuilding damaged or destroyed homes as a
16 result of the disaster, or if a homeowner has a damage claim filed and pending
17 against the insurer of the property. The homeowner shall apply for this extension of
18 the special assessment level with the assessor of the parish in which the homestead
19 is located. The assessor shall require the homeowner to provide official
20 documentation from the government agency or program evidencing the homeowner's
21 participation in the formal appeal process or official documentation evidencing the
22 homeowner has a damage claim filed and pending against the insurer of the damaged
23 property, as provided by law.

24 (c) ~~After expiration of the extension authorized in Subsubparagraph (b) of~~
25 ~~this Subparagraph, an~~ An assessor shall have the authority to grant on a case-by-case
26 basis up to three additional one-year extensions of the special assessment level as
27 prescribed by law.

28 (6)(a) A trust shall be eligible for the special assessment level as provided
29 by law.

1 (b) If a trust would have been eligible for the special assessment level
2 pursuant to this Subparagraph prior to the most recent reappraisal, the total
3 assessment of the property held in trust shall be the assessed value on the last
4 appraisal before the reappraisal.

5 §19. State Property Taxation; Rate Limitation

6 Section 19. State taxation on property ~~for all purposes~~ shall not exceed an
7 annual rate of five and three-quarter mills on the dollar of assessed valuation.

8 §20. Homestead Exemption

9 Section 20.(A) Homeowners.

10 (1) The bona fide homestead, consisting of a tract of land or two or more
11 tracts of land even if the land is classified and assessed at use value pursuant to
12 Article VII, Section 18(C) of this constitution, with a residence on one tract and a
13 field with or without timber on it, pasture, or garden on the other tract or tracts, not
14 exceeding one hundred sixty acres, buildings and appurtenances, whether rural or
15 urban, owned and occupied by any person or persons owning the property in
16 indivision, shall be exempt from state, parish, and special ad valorem taxes to the
17 extent of seven thousand five hundred dollars of the assessed valuation. The same
18 homestead exemption shall also fully apply to the primary residence, including a
19 mobile home, which serves as a bona fide home and which is owned and occupied
20 by any person or persons owning the property in indivision, regardless of whether
21 the homeowner owns the land upon which the home or mobile home is sited;
22 however, this homestead exemption shall not apply to the land upon which such
23 primary residence is sited if the homeowner does not own the land.

24 (2) The homestead exemption shall extend and apply fully to the surviving
25 spouse or a former spouse when the homestead is occupied by the surviving spouse
26 or a former spouse and title to it is in the name of (a) the surviving spouse as owner
27 of any interest or either or both of the former spouses, (b) the surviving spouse as
28 usufructuary, or (c) a testamentary trust established for the benefit of the surviving

1 spouse and the descendants of the deceased spouse or surviving spouse, but not to
2 more than one homestead owned by either the husband or wife, or both.

3 (3) The homestead exemption shall extend to property owned by a trust
4 when the principal beneficiary or beneficiaries of the trust are the settlor or settlors
5 of the trust and were the immediate prior owners of the homestead, and the
6 homestead is occupied as such by a principal beneficiary. The provisions of this
7 Subparagraph shall apply only to property which qualified for the homestead
8 exemption immediately prior to transfer, conveyance, or donation in trust or which
9 would have qualified for the homestead exemption if such property were not owned
10 in trust.

11 (4) The homestead exemption shall extend to property where the usufruct of
12 the property has been granted to no more than two usufructuaries who were the
13 immediate prior owners of the homestead and the homestead is occupied as such by
14 a usufructuary. The provisions of this Subparagraph shall apply only to property
15 which qualified for the homestead exemption immediately prior to the granting of
16 such usufruct, or which would have qualified for the homestead exemption if such
17 usufruct had not been granted.

18 (5) The homestead exemption shall extend only to a natural person or
19 persons and to a trust created by a natural person or persons, in which the
20 beneficiaries of the trust are a natural person or persons provided that the provisions
21 of this Paragraph are otherwise satisfied.

22 (6) Except as otherwise provided for in this Paragraph, the homestead
23 exemption shall apply to property owned in indivision, but shall be limited to the pro
24 rata ownership interest of that person or persons occupying the homestead.

25 (7) No homestead exemption shall be granted on bond for deed property.
26 However, any homestead exemption granted prior to June 20, 2003 on any property
27 occupied upon the effective date of this Paragraph* by a buyer under a bond for deed
28 contract shall remain valid as long as the circumstances giving rise to the exemption
29 at the time the exemption was granted remain applicable.

1 (8) Notwithstanding any provision of this Paragraph to the contrary, in no
2 event shall more than one homestead exemption extend or apply to any person in this
3 state.

4 (9) This exemption shall not extend to municipal taxes. However, the
5 exemptions shall apply (a) in Orleans Parish, to state, general city, school, levee, and
6 levee district taxes and (b) to any municipal taxes levied for school purposes.

7 (10)(a) Any homestead receiving the homestead exemption that is damaged
8 or destroyed during a disaster or emergency declared by the governor whose owner
9 is unable to occupy the homestead on or before December thirty-first of a calendar
10 year due to such damage or destruction shall be entitled to claim and keep the
11 exemption by filing an annual affidavit of intent to return and reoccupy the
12 homestead within five years from December thirty-first of the year following the
13 disaster with the assessor within the parish or district where such homestead is
14 situated prior to December thirty-first of the year in which the exemption is claimed.
15 In no event shall more than one homestead exemption extend or apply to any person
16 in this state.

17 (b) For homesteads qualifying for the homestead exemption under the
18 provisions of Subsubparagraph (a) of this Subparagraph, after expiration of the five-
19 year period, the owner of a homestead shall be entitled to claim and keep the
20 exemption for a period not to exceed two additional years by filing an annual
21 affidavit of intent to return and reoccupy the homestead with the assessor within the
22 parish where the homestead is located prior to December thirty-first of the year in
23 which the exemption is claimed. A homeowner shall be eligible for this extension
24 only if the homeowner's damage claim to repair or rebuild the damaged or destroyed
25 homestead is filed and pending in a formal appeal process with any federal, state, or
26 local government agency or program offering grants or assistance for repairing or
27 rebuilding damaged or destroyed homes as a result of the disaster, or if a homeowner
28 has a damage claim filed and pending against the insurer of the property. The
29 assessor shall require the homeowner to provide official documentation from the

1 government agency or program evidencing the homeowner's participation in the
2 formal appeal process or official documentation evidencing the homeowners has a
3 damage claim filed and pending against the insurer of the property as provided by
4 law.

5 (c) After expiration of the extension authorized in Subsubparagraph (b) of
6 this Subparagraph, an assessor shall have the authority to grant on a case-by-case
7 basis up to three additional one-year extensions of the homestead exemption as
8 prescribed by law.

9 (B) Residential Lessees. Notwithstanding any contrary provision in this
10 constitution, the legislature may provide for tax relief to residential lessees in the
11 form of credits or rebates in order to provide equitable tax relief similar to that
12 granted to homeowners through homestead exemptions.

13 (11)(a) Notwithstanding any provision of this constitution to the contrary,
14 the exemption provided for in this Paragraph shall be effective and applicable unless
15 and until a parish governing authority adopts a resolution or ordinance adjusting the
16 amount of the exemption, which resolution or ordinance shall be effective only if
17 approved by the electors of the parish. Any change in the amount of the exemption
18 shall become effective on the first day of the calendar year following the year in
19 which the change was approved by the electors, and is deemed to be an instance of
20 implementation of the provisions of this Subparagraph.

21 (b) The total amount of ad valorem taxes collected by any taxing authority
22 in any year in which the provisions of this Subparagraph are implemented shall not
23 be increased or decreased as a result of such implementation above or below the
24 amount of ad valorem taxes collected in the year preceding the implementation. To
25 accomplish this result, it shall be mandatory for each affected taxing authority to
26 adjust millages upwards or downwards without regard to millage limitations
27 otherwise contained in this constitution. The maximum authorized millages shall be
28 increased or decreased in proportion to the amount of adjustment upward or
29 downward. Thereafter, such millages shall remain in effect unless changed as

1 permitted by this constitution. In no way shall the provisions of this Subparagraph
2 be interpreted to affect the imposition and collection of revenue from a new millage
3 or the renewal of a millage.

4 §21. Other Property Exemptions

5 Section 21. In addition to the homestead exemption provided for in Section
6 20 of this Article, the following property and no other shall be exempt from ad
7 valorem taxation:

8 (A) Public lands and other public property used for public purposes. Land
9 or property owned by another state or owned by a political subdivision of another
10 state shall not be exempt under this Paragraph.

11 (B)(1)(a)(i) Property owned by a nonprofit corporation or association
12 organized and operated exclusively for religious, dedicated places of burial,
13 charitable, health, welfare, fraternal, or educational purposes, no part of the net
14 earnings of which inure to the benefit of any private shareholder or member thereof
15 and which is declared to be exempt from federal or state income tax; and

16 (ii) medical equipment leased for a term exceeding five years to such a
17 nonprofit corporation or association which owns or operates a small, rural hospital
18 and which uses the equipment solely for health care purposes at the hospital,
19 provided that the property shall be exempt only during the term of the lease to such
20 corporation or association, and further provided that "small, rural hospital" shall
21 mean a hospital which meets all of the following criteria:

22 (aa) It has less than fifty Medicare-licensed acute care beds.

23 (bb) It is located in a municipality with a population of less than ten
24 thousand which has been classified as an area with a shortage of health manpower
25 by the United States Health Service; and

26 (b) property leased to such a nonprofit corporation or association for use
27 solely as housing for homeless persons, as defined by regulation adopted by the tax
28 commission or its successor provided that the term of such lease shall be for at least
29 five years, that as a condition of entering into the lease the property be in compliance

1 with all applicable health and sanitation codes for use as housing for homeless
2 persons, that the lease shall provide that compensation to be paid the lessor shall not
3 exceed one dollar per year, and that such contract of lease shall recite that the
4 property shall be used exclusively for the purpose of housing the homeless, and
5 further provided that at such time as the property is no longer used solely as housing
6 for homeless persons, the property shall no longer be exempt from taxation;

7 (2) property of a bona fide labor organization representing its members or
8 affiliates in collective bargaining efforts; and

9 (3) property of an organization such as a lodge or club organized for
10 charitable and fraternal purposes and practicing the same, and property of a nonprofit
11 corporation devoted to promoting trade, travel, and commerce, and also property of
12 a trade, business, industry or professional society or association, if that property is
13 owned by a nonprofit corporation or association organized under the laws of this
14 state for such purposes.

15 None of the property listed in Paragraph (B) shall be exempt if owned,
16 operated, leased, or used for commercial purposes unrelated to the exempt purposes
17 of the corporation or association.

18 (C)(1) Cash on hand or deposit;

19 (2) stocks and bonds, except bank stocks, the tax on which shall be paid by
20 the banking institution;

21 (3) obligations secured by mortgage on property located in Louisiana and the
22 notes or other evidence thereof;

23 (4) loans by life insurance companies to policyholders, if secured solely by
24 their policies;

25 (5) the legal reserve of domestic life insurance companies;

26 (6) loans by a homestead or building and loan association to its members, if
27 secured solely by stock of the association;

28 (7) debts due for merchandise or other articles of commerce or for services
29 rendered;

- 1 (8) obligations of the state or its political subdivisions;
- 2 (9) personal property used in the home or on loan in a public place;
- 3 (10) irrevocably dedicated places of burial held by individuals for purposes
4 of burial of themselves or members of their families;
- 5 (11) agricultural products while owned by the producer, agricultural
6 machinery and other implements used exclusively for agricultural purposes, animals
7 on the farm, and property belonging to an agricultural fair association;
- 8 (12) property used for cultural, Mardi Gras carnival, or civic activities and
9 not operated for profit to the owners;
- 10 (13) rights-of-way granted to the State Department of Highways;
- 11 (14) boats using gasoline as motor fuel;
- 12 (15) commercial vessels used for gathering seafood for human consumption;
- 13 and
- 14 (16) ships and oceangoing tugs, towboats, and barges engaged in
15 international trade and domiciled in Louisiana ports. However, this exemption shall
16 not apply to harbor, wharf, shed, and other port dues or to any vessel operated in the
17 coastal trade of the states of the United States.
- 18 (17) Materials, boiler fuels, and energy sources used by public utilities to
19 fuel the generation of electricity.
- 20 (18) All incorporeal movables of any kind or nature whatsoever, except
21 public service properties, bank stocks, and credit assessments on premiums written
22 in Louisiana by insurance companies and loan and finance companies. For purposes
23 of this Section, incorporeal movables shall have the meaning set forth in the
24 Louisiana Civil Code of 1870, as amended.
- 25 (19) All artwork including sculptures, glass works, paintings, drawings,
26 signed and numbered posters, photographs, mixed media, collages, or any other item
27 which would be considered as the material result of a creative endeavor which is
28 listed as a consignment article by an art dealer.

1 (D)(1) Raw materials, goods, commodities, and articles imported into this
2 state from outside the states of the United States:

3 (a) so long as the imports remain on the public property of the port authority
4 or docks of the common carrier where they first entered this state;

5 (b) so long as the imports (other than minerals and ores of the same kind as
6 any mined or produced in this state and manufactured articles) are held in this state
7 in the original form in bales, sacks, barrels, boxes, cartons, containers, or other
8 original packages, and raw materials held in bulk as all or a part of the new material
9 inventory of manufacturers or processors, solely for manufacturing or processing;
10 or

11 (c) so long as the imports are held by an importer in any public or private
12 storage in the original form in bales, sacks, barrels, boxes, cartons, containers, or
13 other original packages and agricultural products in bulk. This exemption shall not
14 apply to these imports when held by a retail merchant as part of his stock-in-trade for
15 sale at retail.

16 (2) Raw materials, goods, commodities, and other articles being held on the
17 public property of a port authority, on docks of any common carrier, or in a
18 warehouse, grain elevator, dock, wharf, or public storage facility in this state for
19 export to a point outside the states of the United States.

20 (3) Goods, commodities, and personal property in public or private storage
21 while in transit through this state which are moving in interstate commerce through
22 or over the territory of the state or which are in public or private storage within
23 Louisiana, having been shipped from outside Louisiana for storage in transit to a
24 final destination outside Louisiana, whether such destination was specified when
25 transportation began or afterward.

26 Property described in Paragraph (D), whether or not entitled to exemption,
27 shall be reported to the proper taxing authority on the forms required by law.

28 (E) Motor vehicles used on the public highways of this state, from state,
29 parish, municipal, and special ad valorem taxes.

1 (F) Notwithstanding any contrary provision of this Section, ~~the State Board~~
2 ~~of Commerce and Industry or its successor, with the approval of the governor, may~~
3 ~~enter into contracts for the exemption~~ there are hereby authorized standard, local, and
4 executive exemptions from ad valorem property taxes ~~of a new manufacturing~~
5 ~~establishment or an addition to an existing manufacturing establishment, on such~~
6 ~~terms and conditions as the board, with the approval of the governor, deems in the~~
7 ~~best interest of the state.~~ for capital investment projects as follows:

8 (1) The standard exemption shall be for ~~an initial~~ a term of ~~no more than five~~
9 ~~eight~~ calendar years, ~~and may be renewed for an additional five years.~~ All property
10 ~~exempted shall be listed on the assessment rolls and submitted to the Louisiana Tax~~
11 ~~Commission or its successor, but no taxes shall be collected thereon during the~~
12 ~~period of exemption.~~

13 The terms "manufacturing establishment" and "addition" as used herein mean
14 ~~a new plant or establishment or an addition or additions to any existing plant or~~
15 ~~establishment which engages in the business of working raw materials into wares~~
16 ~~suitable for use or which gives new shapes, qualities or combinations to matter which~~
17 ~~already has gone through some artificial process.~~ and shall exempt eighty percent of
18 the ad valorem property taxes of the capital investment project. The standard
19 exemption shall be reviewed by the Board of Commerce and Industry, or its
20 successor as provided by law, and shall be subject to local approval as prescribed by
21 law.

22 (2) The local exemption shall be for a term of no more than fifteen years and
23 may exempt up to one hundred percent of the property taxes of the capital investment
24 project. The local exemption shall be subject to local approval as prescribed by law.

25 (3) The executive exemption shall be for a term determined by the governor
26 and may exempt up to one hundred percent of the property taxes of the capital
27 investment project. The executive exemption shall require approval from the
28 governor and shall be subject to local approval as prescribed by law.

1 (4) The enactment of a law to administer any exemption authorized in this
2 Paragraph shall require a favorable vote of two-thirds of the elected members of each
3 house of the legislature.

4 (G) Coal or lignite stockpiled in Louisiana for use in Louisiana for industrial
5 or manufacturing purposes or for boiler fuel, gasification, feedstock, or process
6 purposes.

7 (H) Notwithstanding any contrary provision of this constitution, the State
8 Board of Commerce and Industry or its successor, with the approval of the governor
9 and the local governing authority and in accordance with procedures and conditions
10 provided by law, may enter into contracts granting to a property owner, who
11 proposes the expansion, restoration, improvement, or development of an existing
12 structure or structures in a downtown, historic, or economic development district
13 established by a local governing authority or in accordance with law, the right for an
14 initial term of five years after completion of the work to pay ad valorem taxes based
15 upon the assessed valuation of the property for the year prior to the commencement
16 of the expansion, restoration, improvement, or development. Contracts may be
17 renewed, subject to the same conditions, for an additional five years extending such
18 right for a total of ten years from completion of the work.

19 (I)(1) Notwithstanding any contrary provision of this Section, the authority
20 or district charged with economic development of each parish is hereby authorized
21 to enter into contracts for the exemption from parish, municipal, and special ad
22 valorem taxes of goods held in inventory by distribution centers. In the absence of
23 the existence of an economic development authority or district, the parish governing
24 authority is authorized to grant contracts of exemption as are provided for in this
25 Paragraph.

26 (2) The contract for exemption shall be on such terms and to the extent, up
27 to and including the full assessed valuation of the goods held in inventory, as the
28 economic development authority or district deems in the best interest of the parish.
29 However, prior to entering into each individual contract, the economic development

1 authority or district must request and receive written approval of the contract,
2 including its terms and an estimated fiscal impact, from each affected tax recipient
3 body in the parish, as evidenced by a favorable vote of a majority of the members of
4 the governing authority of the tax recipient body. Failure to receive all required
5 approvals from the tax recipient bodies before entering into a contract shall render
6 the contract null and void and of no effect.

7 (3) The term "distribution center" as used herein means an establishment
8 engaged in the sale of products for resale or further processing for resale. The term
9 "goods held in inventory" as used herein means goods or products which have been
10 given new shapes, qualities, or combinations through some artificial process and
11 does not include raw materials such as natural gas, crude oil, sulphur, or timber or
12 goods or products held for sale to consumers.

13 (J)(1) Drilling rigs used exclusively for the exploration and development of
14 minerals outside the territorial limits of the state in Outer Continental Shelf waters
15 which are within the state for the purpose of being stored or stacked for use outside
16 the territorial limits of the state, or for the purpose of being converted, renovated, or
17 repaired, and any property in the state for the purpose of being incorporated in, or to
18 be used in the operation of said drilling rigs.

19 (2) The exemption provided in this Paragraph shall be applicable in any
20 parish in which the exemption has been approved by a majority of the electors of the
21 parish voting thereon at an election called for that purpose.

22 (K)(1) On and after January 1, 2015, in addition to the homestead exemption
23 authorized under the provisions of Article VII, Section 20 of this constitution, which
24 applies to the first seven thousand five hundred dollars of the assessed valuation of
25 property, the next seven thousand five hundred dollars of the assessed valuation of
26 property receiving the homestead exemption that is owned and occupied by a veteran
27 with a service-connected disability rating of one hundred percent unemployability
28 or totally disabled by the United States Department of Veterans Affairs shall be
29 exempt from ad valorem taxation. The surviving spouse of a deceased veteran with

1 a service-connected disability rating of one hundred percent unemployability or
2 totally disabled by the United States Department of Veterans Affairs shall be eligible
3 for this exemption if the surviving spouse occupies and remains the owner of the
4 property, whether or not the exemption was in effect on the property prior to the
5 death of the veteran. If property eligible for the exemption provided for in this
6 Paragraph has an assessed value in excess of fifteen thousand dollars, ad valorem
7 property taxes shall apply to the assessment in excess of fifteen thousand dollars.

8 (2) Notwithstanding any provision of this constitution to the contrary, the
9 property assessment of a property for which this exemption has been claimed, to the
10 extent of seven thousand five hundred dollars, shall not be treated as taxable property
11 for purposes of any subsequent reappraisals and valuation for millage adjustment
12 purposes under Article VII, Section 23(B) of this Constitution. The decrease in the
13 total amount of ad valorem tax collected by a taxing authority as a result of the
14 exemption shall be absorbed by the taxing authority and shall not create any
15 additional tax liability for other taxpayers in the taxing district as a result of any
16 subsequent reappraisal and valuation or millage adjustment. Implementation of the
17 exemption authorized in this Paragraph shall neither trigger nor be cause for a
18 reappraisal of property or an adjustment of millages pursuant to the provisions of
19 Article VII, Section 23(B) of this constitution.

20 (3)(a) The exemption provided for in this Paragraph shall extend and apply
21 in a parish only if it is established through an election that shall be called by either
22 an ordinance or a resolution from the parish governing authority. The proposition
23 shall state that the exemption shall extend and apply in the parish and become
24 effective only after the question of its adoption has been approved by a majority of
25 the registered voters of the parish voting in an election held for that purpose.

26 (b) If a parish held an election as provided by this Subparagraph and the
27 electors approved the exemption prior to November 4, 2014, the parish may
28 implement the exemption as amended by the statewide electors on November 4,
29 2014, without holding an additional election.

1 (4) A trust shall be eligible for the exemption provided for in this Paragraph
2 as provided by law.

3 (L)(1) Except as otherwise provided herein, property owned or leased by,
4 and used by, a targeted non-manufacturing business in the operation of its facility,
5 including buildings, improvements, equipment, and other property necessary or
6 beneficial to such operation, according to a program and pursuant to contracts of
7 exemption which contain such terms and conditions which shall be provided by law.
8 Land underlying the facility and other property pertaining to the facility on which ad
9 valorem taxes have previously been paid, inventories, consumables, and property
10 eligible for the manufacturing exemption provided by Paragraph (F) of this Section,
11 shall not be exempt under this Paragraph.

12 (2) Ad valorem taxes shall apply to the assessed valuation of the first ten
13 million dollars or ten percent of fair market value, whichever is greater, and this
14 amount of property shall not be exempt under this Paragraph.

15 (3) A targeted non-manufacturing business means at least fifty percent of
16 such business' total annual sales from a site or sites in the state is to out-of-state
17 customers or buyers, or to in-state customers or buyers but the product or service is
18 resold by the purchaser to an out-of-state customer or buyer for ultimate use, or to
19 the federal government, or any combination thereof. The legislature may provide by
20 law for the inclusion of sales by affiliates when appropriate in making this fifty
21 percent determination.

22 (4) A contract for the exemption shall be available only in parishes which
23 have agreed to participate, in the manner provided by the legislature by law.

24 (M) There is hereby established an exemption from ad valorem tax for the
25 total assessed value of the homestead of the unmarried surviving spouse of a person
26 who died under the conditions enumerated in Subsubparagraph (1)(a) or (b) of this
27 Paragraph, and if the conditions established in Subsubparagraph (1)(c) of this
28 Paragraph are met.

1 (1)(a) For ad valorem taxes due in 2017 and thereafter, the exemption shall
2 apply beginning in the tax year in which any of the following persons died or 2017,
3 whichever is later:

4 (i) A member of the armed forces of the United States or the Louisiana
5 National Guard who died while on active duty.

6 (ii) A state police officer who died while on duty.

7 (iii) A law enforcement or fire protection officer who qualified for the salary
8 supplement authorized in Section 10(D)(3) of this Article who died while on duty.

9 (b) For ad valorem taxes due in 2018 and thereafter, the exemption shall
10 apply beginning in the tax year in which any of the following persons died or 2018,
11 whichever is later:

12 (i) An emergency medical responder, technician, or paramedic, as such terms
13 may be defined by law, who died while performing the duties of their employment.

14 (ii) A volunteer firefighter, verified by the Office of the State Fire Marshal
15 to have died while performing firefighting duties.

16 (iii) A law enforcement or fire protection officer who died while on duty and
17 who would have qualified for the salary supplement authorized in Section 10(D)(3)
18 of this Article if he had completed the first year of his employment before his death.

19 (c)(i) The property is eligible for the homestead exemption and the property
20 was the residence of a person listed within Subsubparagraph (a) or (b) of this
21 Subparagraph at the time of that person's death.

22 (ii) The surviving spouse has not remarried.

23 (iii) The surviving spouse annually provides evidence of their eligibility for
24 the exemption in accordance with the requirements of Subparagraph (2) of this
25 Paragraph.

26 (2) Each assessor shall establish a procedure whereby a person may annually
27 apply for the exemption. Eligibility for the exemption shall be established by the
28 production of documents and certification of information by the surviving spouse to
29 the assessor as follows:

1 (a) In an initial application for the exemption, the surviving spouse shall
2 produce documentation issued by their deceased spouse's employer evidencing the
3 death.

4 (b) For purposes of the continuation of an existing exemption, the surviving
5 spouse shall annually provide a sworn statement to the assessor attesting to the fact
6 that the surviving spouse has not remarried.

7 (3) Once an unmarried surviving spouse has qualified for and taken the
8 exemption, if the surviving spouse then acquires a different property which qualifies
9 for the homestead exemption, the surviving spouse shall be entitled to an exemption
10 on that subsequent homestead, the exemption being limited in value to the amount
11 of the exemption claimed on the prior homestead in the last year for which the
12 exemption was claimed. The assessor may require the submission of certain
13 information concerning the amount of the exemption on the prior homestead for
14 purposes of determining the extent of the exemption available for the subsequent
15 homestead.

16 (4) A trust shall be eligible for the exemption provided for in this Paragraph
17 as provided by law.

18 (N)(1) All property delivered to a construction project site for the purpose
19 of incorporating the property into any tract of land, building, or other construction
20 as a component part, including the type of property that may be deemed to be a
21 component part once placed on an immovable for its service and improvement
22 pursuant to the provisions of the Louisiana Civil Code of 1870, as amended. The
23 exemption provided for in this Paragraph shall be applicable until the construction
24 project for which the property has been delivered is complete. A construction project
25 shall be deemed complete when construction is finished to the extent that the project
26 can be used or occupied for its intended purpose. A construction project shall not be
27 deemed complete during its inspection, testing, or commissioning stages, as defined
28 by reasonable industry standards.

1 (2) Notwithstanding the provisions of Subparagraph (1) of this Paragraph,
2 this exemption shall not apply to any of the following:

3 (a) Any portion of a construction project that is complete, available for its
4 intended use, or operational on the date that property is assessed.

5 (b) For projects constructed in two or more distinct phases, any phase of the
6 construction project that is complete, available for its intended use, or operational on
7 the date the property is assessed.

8 (c) Any public service property, unless the public service property is
9 otherwise eligible for an exemption provided by any other provision of this
10 constitution.

11 (O) One or more local government taxing authorities within a parish may
12 enter into a joint or separate cooperative endeavor agreement for payments in lieu
13 of ad valorem taxes with any owner of non-residential immoveable property located
14 within the parish. The agreement shall provide for payments in lieu of taxes. Any
15 cooperative endeavor agreement authorized by this Paragraph shall be for a term not
16 to exceed forty years. Enactment of any law to administer this Paragraph shall
17 require a favorable vote of two-thirds of the elected members of each house of the
18 legislature.

19 §22. No Impairment of Existing Taxes or Obligations

20 Section 22. This Part shall not be applied in a manner which will ~~(a)~~
21 invalidate taxes authorized and imposed prior to the effective date of this constitution
22 or ~~(b)~~ impair the obligations, validity, or security of any bonds or other debt
23 obligations authorized prior to the effective date of this constitution.

24 §23. Adjustment of Ad Valorem Tax Millages

25 ~~Section 23.(A) First Adjustment. Prior to the end of the third year after the~~
26 ~~effective date of this constitution, the assessors and the Louisiana Tax Commission~~
27 ~~or its successor shall complete determination of the fair market value or the use value~~
28 ~~of all property subject to taxation within each parish for use in implementing this~~
29 ~~Article. Except as provided in this Section, the total amount of ad valorem taxes~~

1 collected by any taxing authority in the year in which Sections 18 and 20 of this
 2 Article are implemented shall not be increased or decreased, because of their
 3 provisions, above or below ad valorem taxes collected by that taxing authority in the
 4 year preceding implementation. To accomplish this result, it shall be mandatory for
 5 each affected taxing authority, in the year in which Sections 18 and 20 of this Article
 6 are implemented, to adjust millages upwards or downwards without regard to millage
 7 limitations contained in this constitution, and the maximum authorized millages shall
 8 be increased or decreased, without further voter approval, in proportion to the
 9 amount of the adjustment upward or downward. Thereafter, such millages shall
 10 remain in effect unless changed as permitted by this constitution.

11 ~~(B)~~ (B) Subsequent Adjustments. Except as otherwise permitted in this Section,
 12 the total amount of ad valorem taxes collected by any taxing authority in the year in
 13 which the reappraisal and valuation provisions of Section 18, Paragraph (F) of this
 14 Article are implemented shall not be increased or decreased because of a reappraisal
 15 or valuation or increases or decreases in the homestead exemption above or below
 16 the total amount of ad valorem taxes collected by that taxing authority in the year
 17 preceding implementation of the reappraisal and valuation. To accomplish this
 18 result, the provisions of millage adjustments relative to implementation of Section
 19 18 and Section 20 of this Article, as set forth in Paragraph (A) of this Section shall
 20 be mandatory. Thereafter, following implementation of each subsequent reappraisal
 21 and valuation required by Paragraph (F) of Section 18 of this Article, the millages
 22 as fixed in each such implementation shall remain in effect unless changed as
 23 permitted by Paragraph ~~(C)~~ (B) of this Section.

24 ~~(C)~~ (B) Increases Permitted. Nothing herein shall prohibit a taxing authority
 25 from collecting, in the year in which Sections 18 and 20 of this Article are
 26 implemented or in any subsequent year, a larger dollar amount of ad valorem taxes
 27 by ~~(1)~~ (1) levying additional or increased millages as provided by law or ~~(2)~~
 28 additional property on the tax rolls. Increases in the millage rate in excess of the
 29 rates established as provided by Paragraph ~~(B)~~ (A) but not in excess of the

1 prior year's maximum authorized millage rate may be levied by two-thirds vote of
 2 the total membership of a taxing authority without further voter approval but only
 3 after a public hearing held in accordance with the open meetings law; however, in
 4 addition to any other requirements of the open meetings law, public notice of the
 5 time, place, and subject matter of such hearing shall be published on two separate
 6 days no less than thirty days before the public hearing. Such public notice shall be
 7 published in the official journal of the taxing authority, and another newspaper with
 8 a larger circulation within the taxing authority than the official journal of the taxing
 9 authority, if there is one.

10 ~~(D)~~(C) Application. This Section shall not apply to millages required to be
 11 levied for the payment of general obligation bonds.

12 §24. Tax Assessors

13 Section 24.(A) Election; Term. A tax assessor shall be elected by the
 14 electors of each parish: ~~His~~ and his term of office shall be four years. His election,
 15 duties, and compensation shall be as provided by law.

16 (B) Orleans Parish. The assessor shall be elected at the same time as the
 17 municipal officers of New Orleans.

18 (C) Vacancy. When a vacancy occurs in the office of tax assessor, the duties
 19 of the office, until filled by election as provided by law, shall be assumed by the
 20 chief deputy assessor.

21 §25. Tax Sales

22 Section 25.(A) Tax Sales. (1) There shall be no forfeiture of property for
 23 nonpayment of taxes. ~~However~~ Notwithstanding any other provision of law, at the
 24 expiration of the year in which the taxes are due, the collector, without suit, and after
 25 giving notice to the delinquent in the manner provided by law, shall advertise for sale
 26 the property on which the taxes are due. The advertisement shall be published in the
 27 official journal of the parish or municipality, or, if there is no official journal, as
 28 provided by law for sheriffs' sales, in the manner provided for judicial sales. On the
 29 day of sale, the collector shall sell the portion of the property which the debtor points

1 out. If the debtor does not point out sufficient property, the collector shall sell
2 immediately the least quantity of property which any bidder ~~will~~ may buy for the
3 amount of the taxes, interest, and costs. The sale shall be without appraisalment. A
4 tax deed by a tax collector shall be prima facie evidence that a valid sale was made.

5 (2) If property located in a municipality with a population of more than four
6 hundred fifty thousand persons as of the most recent federal decennial census fails
7 to sell for the minimum required bid in the tax sale, the collector may offer the
8 property for sale at a subsequent sale with no minimum required bid. The proceeds
9 of the sale shall be applied to the taxes, interest, and costs due on the property, and
10 any remaining deficiency shall be eliminated from the tax rolls.

11 (B) Redemption. (1) The property sold shall be redeemable for three years
12 after the date of recordation of the tax sale, by paying the price given, including
13 costs, five percent penalty thereon, and interest at the rate of one percent per month
14 until redemption.

15 (2) In the city of New Orleans, when such property sold is residential or
16 commercial property which is abandoned property as defined by R.S. 33:4720.12(1)
17 or blighted property as defined by Act 155 of the 1984 Regular Session, it shall be
18 redeemable for eighteen months after the date of recordation of the tax sale by
19 payment in accordance with Subparagraph (1) of this Paragraph.

20 (3) In any parish other than Orleans, when such property sold is vacant
21 residential or commercial property which has been declared blighted, as defined by
22 R.S. 33:1374(B)(1) on January 1, 2013, or abandoned, as defined by R.S.
23 33:4720.59(D)(2) on January 1, 2013, it shall be redeemable for eighteen months
24 after the date of recordation of the tax sale by payment in accordance with
25 Subparagraph (1) of this Paragraph.

26 (C) Annulment. No sale of property for taxes shall be set aside for any
27 cause, except on proof of payment of the taxes prior to the date of the sale, unless the
28 proceeding to annul is instituted within six months after service of notice of sale. A
29 notice of sale shall not be served until the final day for redemption has ended. It

1 must be served within five years after the date of the recordation of the tax deed if
2 no notice is given. The fact that taxes were paid on a part of the property sold prior
3 to the sale thereof, or that a part of the property was not subject to taxation, shall not
4 be cause for annulling the sale of any part thereof on which the taxes for which it
5 was sold were due and unpaid. No judgment annulling a tax sale shall have effect
6 until the price and all taxes and costs are paid, and until ten percent per annum
7 interest on the amount of the price and taxes paid from date of respective payments
8 are paid to the purchaser; however, this shall not apply to sales annulled because the
9 taxes were paid prior to the date of sale.

10 (D) Quieting Tax Title. The manner of notice and form of proceeding to
11 quiet tax titles shall be provided by law.

12 (E) Movables; Tax Sales. When taxes on movables are delinquent, the tax
13 collector shall seize and sell sufficient movable property of the delinquent taxpayer
14 to pay the tax, whether or not the property seized is the property which was assessed.
15 Sale of the property shall be at public auction, without appraisal, after ten days
16 advertisement, published within ten days after date of seizure. It shall be absolute
17 and without redemption.

18 If the tax collector can find no corporeal movables of the delinquent to seize,
19 he may levy on incorporeal rights, by notifying the debtor thereof, or he may proceed
20 by summary rule in the courts to compel the delinquent to deliver for sale property
21 in his possession or under his control.

22 (F) Postponement of Taxes. The legislature may postpone the payment of
23 taxes, but only in cases of overflow, general conflagration, general crop destruction,
24 or other public calamity, and may provide for the levying, assessing, and collecting
25 of such postponed taxes. In such case, the legislature may authorize the borrowing
26 of money by the state on its faith and credit, by bond issue or otherwise, and may
27 levy taxes, or apply taxes already levied and not appropriated, to secure payment
28 thereof, in order to create a fund from which loans may be made through the Interim
29 Emergency Board to the governing authority of the parish where the calamity occurs.

1 The money loaned shall be applied to and shall not exceed the deficiency in revenue
2 of the parish or a political subdivision therein or of which the parish is a part, caused
3 by postponement of taxes. No loan shall be made to a parish governing authority
4 without the approval of the Interim Emergency Board.

5 PART III. REVENUE SHARING

6 §26. Revenue Sharing Fund

7 Section 26.(A) Creation of Fund. The Revenue Sharing Fund is created as
8 a special fund in the state treasury.

9 (B) Annual Allocation. The sum of ninety million dollars is allocated
10 annually from the state general fund to the revenue sharing fund. The legislature
11 may appropriate additional sums to the fund.

12 (C) Distribution Formula. The revenue sharing fund shall be distributed
13 annually as provided by law solely on the basis of population and number of
14 homesteads in each parish in proportion to population and the number of homesteads
15 throughout the state. Unless otherwise provided by law, population statistics of the
16 last federal decennial census shall be utilized for this purpose. After deductions in
17 each parish for retirement systems and commissions as authorized by law, the
18 remaining funds, ~~to the extent available,~~ shall be distributed by first priority to the
19 tax recipient bodies within the parish, as defined by law, to offset current losses
20 because of homestead exemptions granted in this Article. Any balance remaining
21 in a parish distribution shall be allocated to the municipalities and tax recipient
22 bodies within each parish as provided by law.

23 (D) Distributing Officer. The funds distributed to each parish as provided
24 in Paragraph (C) shall be distributed in Orleans Parish by the city treasurer of New
25 Orleans and in all other parishes by the parish tax collector. The funds allocated to
26 the Monroe City School Board or its successor shall be distributed to and by the city
27 treasurer of Monroe.

28 (E) Bonded Debt. A political subdivision, as defined by Article VI of this
29 constitution, may incur debt by issuing negotiable bonds and may pledge for the

1 payment of all or part of the principal and interest of such bonds the proceeds
 2 derived or to be derived from that portion of the funds received by it from the
 3 revenue sharing fund, to offset current losses caused by homestead exemptions
 4 granted by this Article. Unless otherwise provided by law, no moneys allocated
 5 within any parish from the balance remaining in its distribution may be pledged to
 6 the payment of the principal or interest of any bonds. Bonds issued under this
 7 Paragraph shall be issued and sold as provided by law, and shall require approval of
 8 the State Bond Commission or its successor ~~prior to issuance and sale.~~

PART IV. TRANSPORTATION

§27. Transportation Trust Fund

11 Section 27.(A) Creation of fund. Effective January 1, 1990, there shall be
 12 established in the state treasury as a special permanent trust fund the Transportation
 13 Trust Fund ("the trust fund") in which shall be deposited the "excess revenues" as
 14 defined herein which are a portion of the avails received in each year from all taxes
 15 levied on gasoline and motor fuels and on special fuels (said avails being referred to
 16 as the "revenues") as provided herein. After satisfying pledges respecting that
 17 portion of the revenues attributable to the tax rates in effect at the time of such
 18 pledges for the payment of obligations for bonds or other evidences of indebtedness
 19 on the effective date of this Section, the treasurer shall allocate such portion of the
 20 revenues received in each year as necessary to pay all principal, interest, premium,
 21 if any, and other obligations incident to the issuance, security, and payment in
 22 respect of bonds as authorized in Paragraph (C) hereof. Thereafter, the portion of the
 23 revenues remaining shall be deposited in the Bond Security and Redemption Fund
 24 in the state treasury. After (1) the payment of any obligations for bonds or other
 25 evidences of indebtedness in existence on the effective date of this Section which are
 26 secured by revenues; (2) payments in respect of bonds authorized in Paragraph (C)
 27 hereof; and (3) credit to the Bond Security and Redemption Fund, the treasurer shall
 28 deposit in and credit to the trust fund all of the revenues remaining (the "excess
 29 revenues") from the avails of all taxes levied on gasoline and motor fuels and on

1 ~~special fuels, as follows: for the fiscal year beginning July 1, 1989, the avails of~~
2 ~~twelve cents per gallon of said taxes received on and after January 1, 1990; for the~~
3 ~~fiscal year beginning on July 1, 1990, the avails of fourteen cents per gallon of said~~
4 ~~taxes; for the fiscal year beginning on July 1, 1991, and thereafter, the avails of all~~
5 ~~taxes levied on gasoline and motor fuels and on special fuels.~~ Purchases of gasoline,
6 diesel fuel, or special fuels which are subject to excise tax under Chapter 7 of
7 Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950 shall be exempt from
8 the state sales tax and any sales tax levied by a political subdivision as defined by
9 Article VI, Section 44(2). All monies appropriated by the Federal Highway
10 Administration and the Federal Aviation Administration, or their successors, either
11 reimbursed or paid directly, shall be paid directly or deposited in and credited to the
12 trust fund.

13 (B)(1) Except as provided for in Subparagraph (2) of this Paragraph, the
14 monies in the trust fund shall be appropriated or dedicated solely and exclusively for
15 the costs for and associated with construction and maintenance of the roads and
16 bridges of the state and federal highway systems, the Statewide Flood-Control
17 Program or its successor, ports, airports, transit, and the Parish Transportation Fund
18 or its successor and for the payment of all principal, interest, premium, if any, and
19 other obligations incident to the issuance, security, and payment in respect of bonds
20 or other obligations payable from the trust fund as authorized in Paragraph (D) of
21 this Section. Unless pledged to the repayment of bonds authorized in Paragraphs (C)
22 or (D) of this Section, the monies in the trust fund allocated to ports, airports, flood
23 control, parish transportation, and state highway construction shall be appropriated
24 annually by the legislature only pursuant to programs established by law which
25 establish a system of priorities for the expenditure of such monies, except that the
26 Transportation Infrastructure Model for Economic Development, which shall include
27 only those projects enumerated in House Bill 17 of the 1989 First Extraordinary
28 Session of the Legislature and US Highway 61 from Thompson Creek to the
29 Mississippi Line, in lieu of "US 61-Bains to Mississippi Line", and US Highway 165

1 from I-10 to Alexandria to Monroe to Bastrop and thence on US Highway 425 from
2 Bastrop to the Arkansas Line, in lieu of "US 165-I-10 Alexandria-Monroe-Bastrop-
3 Arkansas Line" and LA 15-Natchez, Mississippi to Chase in lieu of "LA 15-Natchez,
4 Mississippi to Monroe", shall be funded as provided by law. The state-generated tax
5 monies appropriated for ports, Parish Transportation Fund, or its successor, and the
6 Statewide Flood-Control Program, or its successor shall not exceed twenty percent
7 annually of the state-generated tax revenues in the trust fund; provided, however, that
8 no less than the avails of one cent of the tax on gasoline and special fuels shall be
9 appropriated each year to the Parish Transportation Fund, or its successor. The
10 annual appropriation for airports shall be a sum equal to, but not greater than, the
11 annual estimated revenue to be derived from the state taxes to be collected and
12 received on aviation fuel. Unencumbered and unexpended balances at the end of
13 each fiscal year shall remain in the trust fund. The earnings realized in each fiscal
14 year on the investment of monies in the trust fund shall be deposited in and credited
15 to the trust fund.

16 (2) There is hereby established in the Transportation Trust Fund a special
17 subfund to be known as the "Construction Subfund", hereinafter referred to as "the
18 subfund", in which shall be deposited the avails of any new taxes that become
19 effective and are levied on gasoline, motor fuels, or special fuels on or after July 1,
20 2017. The monies in the subfund shall be appropriated and dedicated solely for the
21 direct costs associated with actual project delivery, construction, and maintenance
22 of transportation and capital transit infrastructure projects of the state and local
23 government. The monies in the subfund that are appropriated by the legislature to
24 the Department of Transportation and Development, or its successor, shall not be
25 utilized by the department for the payment of employee wages and related benefits
26 or employee retirement benefits.

27 (C) The State Bond Commission or its successor, may issue and sell bonds,
28 notes, or other obligations ("Bonds") secured by a pledge of a portion of the revenues
29 not to exceed the avails of four cents per gallon of the taxes on gasoline and motor

1 fuels and on special fuels received by the state treasurer. Bonds so issued may also
2 be secured by a pledge of all or a portion of excess revenues as additional security
3 therefor, and if so pledged any portion thereof needed to pay principal, interest, or
4 premium, if any, and other obligations incident to the issuance, security, and
5 payment in respect to Bonds may be expended by the treasurer without the need for
6 legislative appropriation. The Bonds may be issued in the manner set forth in this
7 Section to provide for the costs for and associated with construction and maintenance
8 of the roads and bridges of the state and federal highway systems, Statewide
9 Flood-Control Program, ports, airports, and for any other purpose for which monies
10 in the trust fund may be expended as provided by law. Such Bonds shall not be
11 considered to be debt under Article VII, Section 6, unless the provisions of Article
12 VII, Section 6, relative to incurring debt by the state are met, in which case the full
13 faith and credit of the state may also be pledged in addition to the revenues received
14 by the treasurer.

15 (D) The State Bond Commission or its successor may also issue and sell
16 bonds, notes, or other obligations secured by a pledge of the excess revenues
17 deposited in the trust fund, which shall otherwise be issued in the manner and for the
18 purposes provided for in this Section, and if so pledged any portion thereof needed
19 to pay principal, interest, or premium, if any, and other obligations incident to the
20 issuance, security, and payment in respect thereof may be expended by the treasurer
21 without the need for legislative appropriation.

22 (E) Bonds, notes, or other obligations issued pursuant to the provisions of
23 Paragraphs (C) or (D) above may be issued in the manner provided by resolution of
24 the State Bond Commission or its successor under the authority of said Paragraphs
25 without compliance with any other requirement of this constitution or law. To that
26 end, said Paragraphs (C) and (D) hereof shall be deemed self-operative.

1 in the UCP Permanent Trust Fund, may be invested in equities. The legislature shall
2 establish by law procedures for the investment of such monies. The treasurer may
3 contract, subject to the approval of the State Bond Commission, for the management
4 of such investments. Investment earnings shall be available for appropriation to pay
5 expenses incurred in the investment and management of the UCP Permanent Trust
6 Fund.

7 (C) Reports; Allocation. (1) Not less than sixty days prior to the beginning
8 of each regular session of the legislature, the state treasurer shall submit to the
9 legislature and the governor a report of the following:

10 (a) The balance of the UCP Permanent Trust Fund as of the close of the prior
11 fiscal year.

12 (b) The state's potential liability to unclaimed property claimants as of the
13 close of the prior fiscal year.

14 (2) Notwithstanding the provisions of Subparagraph (1) of this Paragraph, not
15 less than sixty days prior to the beginning of the 2022 Regular Session of the
16 legislature, the state treasurer shall submit to the legislature and the governor a report
17 of the following:

18 (a) The balance of the UCP Permanent Trust Fund as of January 1, 2022.

19 (b) The state's potential liability to unclaimed property claimants as of the
20 close of the prior fiscal year.

21 (3) If unclaimed property claims exceed receipts, the state treasurer shall
22 certify the amount needed to pay received claims and shall allocate sufficient funds
23 from the UCP Permanent Trust Fund to pay that amount. The state treasurer shall
24 also immediately notify the legislature and governor of the amount transferred from
25 the UCP Permanent Trust Fund and amount remaining in the UCP Permanent Trust
26 Fund.

27 (D) Private Property. Property received by the state pursuant to the Uniform
28 Unclaimed Property Act of 1997 or its successor and deposited into the UCP

net income; however, the state individual and joint income tax schedule of rates and brackets are prohibited from exceeding the rates and brackets as they existed on Jan. 1, 2003.

Present constitution provides for a tax to be assessed, levied, collected, and paid upon the taxable income of an individual at the following rates and brackets:

- (1) 2% on the first \$12,500 of net income.
- (2) 4% on the next \$37,500 of net income.
- (3) 6% on net income in excess of \$50,000.

Proposed constitutional amendment deletes the reference to the individual income tax rates and brackets in existence on Jan. 1, 2003, in favor of specifying that a state tax levied on individual income shall be levied at a flat rate which shall be established in law.

Present constitution authorizes federal income taxes paid to be allowed as a deductible item in computing state individual, estates and trusts, and corporate income taxes for the same period.

Proposed constitutional amendment changes present constitution by eliminating the deductibility of federal income taxes paid when computing individual, estates and trusts, and corporate income tax liability.

Proposed constitutional amendment retains present constitution.

Proposed constitutional amendment creates the State Cybersecurity and Information Technology Infrastructure Fund in the state treasury. Dedicates 0.0045% of monies in the state general fund that are not allocated to the Bond Redemption and Security Fund or pledged in connection with the issuance of bonds to be appropriated solely for purposes of enhancing and upgrading the state's information technology infrastructure and to support cybersecurity needs.

Proposed constitutional amendment provides that unexpended and unencumbered monies in the fund at the end of the fiscal year remain in the fund. The money in the fund shall be invested as provided by law and any earnings realized on investment of money in the fund shall be deposited in and credited to the fund.

Proposed constitutional amendment authorizes the establishment of a committee to assist the legislature in consideration of priorities for the funding of information technology infrastructure projects through appropriations from the fund with consent of the majority of the legislature.

Present constitution provides property subject to ad valorem taxation shall be listed on the assessment rolls. Further provides property valuation shall be a percentage of fair market value.

Present constitution provides the percentage of fair market value shall be uniform throughout the state upon the same class of property.

Present constitution provides for the classifications of property for the purposes of ad valorem tax and provides the percentage of fair market value applicable to each classification as follows:

- (1) Land 10%
- (2) Improvements for residential purposes 10%

- | | | |
|-----|---|-----|
| (3) | Electric cooperative properties, excluding land | 15% |
| (4) | Public service properties, excluding land | 25% |
| (5) | Other property | 15% |

Proposed constitutional amendment repeals present constitution and provides classifications and percentages shall be established in law, enacted by a legislative instrument which receives a favorable vote of two-thirds of the elected members of each house of the legislature.

Proposed constitutional amendment provides that total amount of taxes collected by any taxing authority in the first year following enactment of legislation shall not increase or decrease above or below the amount of ad valorem taxes counted in the year prior to enactment.

Proposed constitutional amendment provides after the first year of enactment, each affected taxing authority shall adjust millages without regard to millage limitations as necessary.

Present constitution establishes an exemption from state, parish, and special ad valorem property taxes for the bona fide homestead of the property owner, for the first \$7,500 of assessed valuation.

Proposed constitutional amendment retains present constitution and adds authorization for a parish governing authority to adjust the amount of the homestead exemption by the adoption of a resolution or ordinance, to be effective only if approved by the electors of the parish. One time millage adjustments are required in instances where the homestead exemption is adjusted so as to ensure the same amount of revenue for taxing authorities.

Present constitution authorizes a property tax exemption for new manufacturing establishments and additions to existing establishments for an initial term of five years, with a five-year renewal. The exemption is effectuated through a contract granted by the Board of Commerce and Industry, with the approval of the governor.

Proposed constitutional amendment authorizes three ad valorem property tax exemptions for capital investment projects as follows:

- (1) A standard exemption for a term of eight calendar years for 80% of property taxes. The exemption is subject to review by the Board of Commerce and Industry, and is subject to local approval as provided by law.
- (2) A local exemption for a term of no more than 15 calendar years for up to 100% of property taxes. The exemption is subject to local approval as provided by law.
- (3) An executive exemption for a term determined by the governor for up to 100% of property taxes. The exemption requires approval of the governor and is subject to local approval as provided by law.

Proposed constitutional amendment also requires that any law enacted to administer any of the new exemptions requires a favorable vote of two-thirds of the elected members of each house of the legislature.

Present constitution requires property to be listed on tax assessment rolls.

Proposed constitutional amendment repeals present constitution.

Present constitution defines manufacturing establishment as a new plant or establishment which engages in the business of working raw materials into wares suitable for use or which

gives new shapes, qualities or combinations to matter which already has gone through some artificial process.

Proposed constitutional amendment repeals present constitution.

Present constitution defines addition as an addition to a plant or establishment which engages in the business of working raw materials into wares suitable for use or which gives new shapes, qualities or combinations to matter which already has gone through some artificial process.

Proposed constitutional amendment authorizes local ad valorem taxing authorities to enter into agreements for payments in lieu of taxes with owners of non-residential immovable property.

Proposed constitutional amendment provides that these agreements cannot have a term of greater than 40 years.

Proposed constitutional amendment provides that enactment of any law to administer proposed constitutional amendment requires a favorable vote of two-thirds of the elected members of each house of the legislature.

Proposed constitutional amendment repeals present constitution.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 8, 2022.

(Amends Const. Art. VII)