



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 <del>1. Land</del>  | <del>10%</del> |
| 25 <del>2. Improvements for residential purposes</del>           | <del>10%</del> |
| 26 <del>3. Electric cooperative properties, excluding land</del> | <del>15%</del> |
| 27 <del>4. Public service properties, excluding land</del>       | <del>25%</del> |
| 28 <del>5. Other property</del>                                  | <del>15%</del> |

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 appraisalment, 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

1 Permanent Trust Fund is private property held in trust until a claim is made for it by  
2 the owner.

3 Section 2. Be it further resolved that this proposed amendment shall be submitted  
4 to the electors of the state of Louisiana at the statewide election to be held on November 8,  
5 2022.

6 Section 3. Be it further resolved that on the official ballot to be used at the election,  
7 there shall be printed a proposition, upon which the electors of the state shall be permitted  
8 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as  
9 follows:

10 Do you support an amendment to amend Article VII of the Louisiana  
11 Constitution? (Amends Article VII)

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 417 Original

2021 Regular Session

Ivey

**Abstract:** Amends Article VII of the La. Constitution in its entirety.

Present constitution authorizes taxation by the state, state debt, the state bond commission, and the use of state funds.

Present constitution provides for the state budget and budgets, expenditure of state funds, the general reporting of monies, investments by the state treasury, and taxation.

Present constitution further authorizes the following funds: the Wildlife and Fisheries Conservation Fund, the Louisiana Education Quality Trust Fund, the Coastal Protection and Restoration Fund, the Budget Stabilization Fund, the Higher Education Louisiana Partnership Fund, the Mineral Revenue Audit and Settlement Fund, the Oilfield Site Restoration Fund, the Oil Spill Contingency Fund, the Millennium Trust, the Louisiana Fund, the Millennium Leverage Fund, the Artificial Reef Development Fund, the Agricultural and Seafood Products Support Fund, the Hospital Stabilization Fund, the Louisiana Medical Assistance Trust Fund, the Revenue Stabilization Trust Fund, the dedication of mineral revenues, the Revenue Sharing Fund, and Transportation Trust Fund.

Present constitution authorizes a sales and use tax exemption for food for home consumption as defined in present law (R.S.47:305(D)(1)(n)).

Proposed constitutional amendment retains present constitution but requires any change to the definition of food for home consumption to be enacted in law by a favorable vote of two-thirds of the elected members of each house of the legislature.

Present constitution authorizes equal and uniform taxes to be levied on net income. Further authorizes the rates for these taxes to be graduated according to the amount of the taxpayer's

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)