

2021 Regular Session

HOUSE BILL NO. 417

BY REPRESENTATIVE IVEY

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

FUNDS/FUNDING: (Constitutional Amendment) Revises Article VII of the Constitution of Louisiana

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A JOINT RESOLUTION

Proposing to amend Article VII of the Constitution of Louisiana, relative to revenue and finance; to provide for taxation; to provide for state debt; to provide for the state bond commission; to provide for state funds; to provide for the Wildlife and Fisheries Conservation Fund; to provide for the Louisiana Education Quality Trust Fund; to provide for the Coastal Protection and Restoration Fund; to provide for the Budget Stabilization Fund; to provide for the Higher Education Louisiana Partnership Fund; to provide for the Mineral Revenue Audit and Settlement Fund; to provide for the Oilfield Site Restoration Fund; to provide for the Oil Spill Contingency Fund; to provide for the Millennium Trust; to provide for the Louisiana Fund; to provide for the Millennium Leverage Fund; to provide for the Artificial Reef Development Fund; to provide for the Agricultural and Seafood Products Support Fund; to provide for the Hospital Stabilization Fund; to provide for the Louisiana Medical Assistance Trust Fund; to provide for the Revenue Stabilization Trust Fund; to provide for the dedication of mineral revenues; to provide for the state budget; to provide for the expenditure of state funds; to provide for reporting; to provide for investments; to provide for property taxation; to provide for the Revenue Sharing Fund; to provide for the Transportation Trust Fund; to provide for a flat income tax rate; to establish exemptions for certain property; to establish exemptions

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 certain requirements relative to the
 9 uniformity of state and local sales and use tax exemptions and exclusions; to provide
 10 for definitions; to provide for submission of the proposed amendment to the electors;
 11 and to provide for related matters.

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

16 ARTICLE VII. REVENUE AND FINANCE

17 PART I. GENERAL PROVISIONS

18 §1. Power to Tax; Public Purpose

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

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

1 §2. Power to Tax; Limitation

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

5 §2.1. Fees and Civil Fines; Limitation

6 Section 2.1.(A) Any new fee₂ ~~or~~ civil fine₂ or increase in an existing fee₂ ~~or~~
7 civil fine imposed₂ or assessed by the state or any board, department, or agency of
8 the state shall require the enactment of a law by a two-thirds vote of the elected
9 members of each house of the legislature.

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

13 §2.2. Power to Tax; Sales and Use Tax; Limitation

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

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

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

22 (3) Prescription drugs.

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

27 (1) Food for home consumption, as defined in R.S. 47:305(D)(1)(n) through
28 (r) on January 1, 2003. The legislature shall not enact or amend a definition of food

1 for home consumption, except by law enacted by a favorable vote of two-thirds of
2 the elected members of each house of the legislature.

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

5 (3) Prescription drugs.

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

14 D. The enactment of any law that legislates with regard to an exemption or
15 exclusion from sales and use tax shall be uniformly applicable to the taxes of all
16 taxing authorities in the state, as is further provided for in Article VI, Section
17 29(D)(3) of this constitution.

18 §2.3. Power to Tax; Limitation; Sale or Transfer of Immovable Property

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

1 §3. Collection of Taxes

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

5 (B)(1) Notwithstanding any contrary provision of this constitution, sales and
6 use taxes levied by political subdivisions shall be collected by a single collector for
7 each parish. ~~On or before July 1, 1992, all political subdivisions within each parish~~
8 ~~which levy a sales and use tax shall agree between and among themselves to provide~~
9 ~~for the collection of such taxes by a single collector or a central collection~~
10 ~~commission.~~ The legislature, by general law, shall provide for the collection of sales
11 and use taxes, levied by political subdivisions, by a central collection commission
12 in those parishes where a single collector or a central collection commission has not
13 been established ~~by July 1, 1992.~~

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

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

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

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

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

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

10 (B) Severance Tax. (1) Taxes may be levied on natural resources severed
11 from the soil or water, to be paid proportionately by the owners thereof at the time
12 of severance. Natural resources may be classified for the purpose of taxation. Such
13 taxes may be predicated upon either the quantity or value of the products at the time
14 and place of severance. No further or additional tax or license shall be levied or
15 imposed upon oil, gas, or sulphur leases or rights. No additional value shall be added
16 to the assessment of land by reason of the presence of oil, gas, or sulphur therein or
17 their production therefrom. However, sulphur in place shall be assessed for ad
18 valorem taxation to the person, firm, or corporation having the right to mine or
19 produce the same in the parish where located, at no more than twice the total
20 assessed value of the physical property subject to taxation, excluding the assessed
21 value of sulphur above ground, as is used in sulphur operations in such parish.
22 Likewise, the severance tax shall be the only tax on timber; however, standing timber
23 shall be liable equally with the land on which it stands for ad valorem taxes levied
24 on the land.

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

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

3 (D)(1) Severance Tax Allocation. One-third of the sulphur severance tax,
4 but not to exceed one hundred thousand dollars; one-third of the lignite severance
5 tax, but not to exceed one hundred thousand dollars; one-fifth of the severance tax
6 on all natural resources, other than sulphur, lignite, or timber, but not to exceed five
7 hundred thousand dollars; and three-fourths of the timber severance tax shall be
8 remitted to the governing authority of the parish in which severance or production
9 occurs.

10 (2) Effective July 1, 1999, one-third of the sulphur severance tax, but not to
11 exceed one hundred thousand dollars; one-third of the lignite severance tax, but not
12 to exceed one hundred thousand dollars; one-fifth of the severance tax on all natural
13 resources, other than sulphur, lignite, or timber, but not to exceed seven hundred fifty
14 thousand dollars; and three-fourths of the timber severance tax shall be remitted to
15 the governing authority of the parish in which severance or production occurs.

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

25 ~~(4) Effective April 1, 2012, the provisions of this Subparagraph shall be~~
26 ~~implemented if and when the last official forecast of revenues adopted for a fiscal~~
27 ~~year before the start of that fiscal year contains an estimate of severance tax revenues~~
28 ~~derived from natural resources other than sulphur, lignite, or timber in an amount~~
29 ~~which exceeds the actual severance tax revenues from such natural resources~~

1 ~~collected in Fiscal Year 2008-2009.~~ Upon the adoption of such official forecast, the
2 Revenue Estimating Conference shall certify that the requirements for the
3 implementation of the provisions contained in this Subparagraph have been met. In
4 such event, the following distributions and allocations of severance tax revenues and
5 other revenues provided in this Subparagraph shall be effective and implemented for
6 the fiscal year for which the official forecast was adopted, and each year thereafter.
7 The legislature shall provide by law for the administrative procedures necessary to
8 change the severance tax allocation to parishes from a calendar year basis to a fiscal
9 year basis.

10 (a) Remittance to parishes.

11 (i) In the first fiscal year of implementation of this Subparagraph, the
12 maximum amount of severance tax on all natural resources other than sulphur,
13 lignite, or timber which is remitted to the parish in which severance or production
14 occurs shall not exceed one million eight hundred fifty thousand dollars. For all
15 subsequent fiscal years, the maximum amount remitted to a parish shall not exceed
16 two million eight hundred fifty thousand dollars.

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

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

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

2 (i) Notwithstanding any other provision of this constitution to the contrary,
3 after allocation of money to the Bond Security and Redemption Fund as provided in
4 Article VII, Section 9(B) of this constitution, and after satisfying the required
5 allocations in Subsubparagraph (a) of this Subparagraph, Paragraph (E) of this
6 Section, and Article VII, Sections 10-A and 10.2 of this constitution, an amount
7 equal to fifty percent of the revenues received from severance taxes and royalties on
8 state lands in the Atchafalaya Basin, but not to exceed ten million dollars each fiscal
9 year, shall be deposited by the treasurer into the Atchafalaya Basin Conservation
10 Fund, hereinafter referred to as the "fund", which is hereby created as a special fund
11 in the state treasury. The monies in the fund shall be invested by the treasurer in the
12 manner provided by law, and interest earned on the investment of these monies shall
13 be deposited in and credited to the fund. All unexpended or unencumbered monies
14 remaining in the fund at the end of the fiscal year shall remain in the fund.

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

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

28 (E) Royalties Allocation. One-tenth of the royalties from mineral leases on
29 state-owned land, lake and river beds and other water bottoms belonging to the state

1 or the title to which is in the public for mineral development shall be remitted to the
2 governing authority of the parish in which severance or production occurs. A parish
3 governing authority may fund these royalties into general obligation bonds of the
4 parish in accordance with law. The provisions of this Paragraph shall not apply to
5 properties comprising the Russell Sage Wildlife and Game Refuge.

6 §4.1. Cigarette Tax Rates

7 Section 4.1. To ensure revenue for the dedication provided for in Article VII,
8 Section 10.8(C)(2)(c) of this constitution, the rate of the tax levied pursuant to R.S.
9 47:841(B)(3) shall not be less than the rate set forth in that provision ~~as it exists on~~
10 ~~January 1, 2012.~~

11 §5. Motor Vehicle License Tax

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

1 ~~under Article VII, Section 6(C) of this constitution, subject to existing pledges only~~
2 ~~as to that portion of the tax collections attributable to the rates in effect at the time~~
3 ~~of such pledges for the payment of any obligations for bonds or other evidences of~~
4 ~~indebtedness outstanding on the effective date of this Section.~~ No parish or
5 municipality may impose a license fee on motor vehicles.

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

7 Section 6.(A) Authorization. Unless otherwise authorized by this
8 constitution, the state shall have no power, directly or indirectly, or through any state
9 board, agency, commission, or otherwise, to incur debt or issue bonds except by law
10 enacted by two-thirds of the elected members of each house of the legislature. The
11 debt may be incurred or the bonds issued only if the funds are to be used to repel
12 invasion; suppress insurrection; provide relief from natural catastrophes; refund
13 outstanding indebtedness at the same or a lower effective interest rate; or make
14 capital improvements, but only in accordance with a comprehensive capital outlay
15 budget, which the legislature shall adopt.

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

20 (2) The estimated amount of debt service to be paid for capital improvements
21 for the next fiscal year shall be stated as a separate item and by budget unit in the
22 budget estimate required to be submitted by the governor in accordance with Section
23 11 of this Article.

24 (C) Full Faith and Credit. The full faith and credit of the state shall be
25 pledged to the repayment of all bonds or other evidences of indebtedness issued by
26 the state directly or through any state board, agency, or commission pursuant to the
27 provisions of Paragraphs (A) and (B) hereof. The full faith and credit of the state is
28 not hereby pledged to the repayment of bonds of a levee district, political
29 subdivision, or local public agency. In addition, any state board, agency, or

1 commission authorized by law to issue bonds, in the manner so authorized and with
2 the approval of the State Bond Commission or its successor, may issue bonds which
3 are payable from fees, rates, rentals, tolls, charges, grants, or other receipts or income
4 derived by or in connection with an undertaking, facility, project, or any combination
5 thereof, without a pledge of the full faith and credit of the state. Such revenue bonds
6 may, but are not required to, be issued in accordance with the provisions of
7 Paragraphs (A) and (B) hereof. If issued other than as provided in Paragraphs (A)
8 and (B), such revenue bonds shall not carry the pledge of the full faith and credit of
9 the state and the issuance of the bonds shall not constitute the incurring of state debt
10 under this constitution. The rights granted to deep-water port commissions or
11 deep-water port, harbor, and terminal districts under this constitution shall not be
12 impaired by this Section.

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

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

21 (F) Limitation. (1) The legislature shall provide for the determination of a
22 limit to the amount of net state tax supported debt which may be issued by the state
23 in any fiscal year. Net state tax supported debt shall be defined by law. When
24 enacted, such definition shall not be changed except by specific legislative
25 instrument which receives a favorable vote of two-thirds of the elected members of
26 each house of the legislature. The limitation shall be established so that ~~by Fiscal~~
27 ~~Year 2003-2004 and thereafter~~ the amount necessary to service outstanding net state
28 tax supported debt shall not exceed six percent of the estimate of money to be
29 received by the state general fund and dedicated funds contained in the official

1 forecast adopted by the Revenue Estimating Conference at its first meeting after the
2 beginning of each fiscal year and any other money required to be included in the
3 estimate by this Paragraph. In making such estimate, the conference shall include
4 all amounts which are to be used to service net state tax supported debt. For
5 purposes of this Paragraph, servicing outstanding net state tax supported debt
6 includes payments of principal, interest, and sinking fund requirements. The
7 limitation established pursuant to this Paragraph shall not be construed to prevent the
8 payment of debt service on net state tax supported debt.

9 (2) The limitation established pursuant to this Paragraph may be changed by
10 passage of a specific legislative instrument by a favorable vote of two-thirds of the
11 elected members of each house of the legislature. The limitation may be exceeded
12 by passage of a specific legislative instrument for a project or related projects by a
13 favorable vote of two-thirds of the elected members of each house of the legislature,
14 provided that any debt service payment required for such projects shall, once bonds
15 have been issued in connection therewith, not be impaired in any future year by
16 application of this limitation. The limitation established pursuant to this
17 Subparagraph shall be deemed to be increased as necessary to accommodate any
18 projects approved to exceed this limit if approved as provided in this Paragraph, but
19 only as long as there are bonds outstanding for the projects.

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

24 §7. State Debt; Interim Emergency Board

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

1 (B) Powers. Between sessions of the legislature, when the board by majority
2 vote determines that an emergency or impending flood emergency exists, it may
3 appropriate from the state general fund or borrow on the full faith and credit of the
4 state an amount to meet the emergency. The appropriation may be made or the
5 indebtedness incurred only for a purpose for which the legislature may appropriate
6 funds and then only after the board obtains, as provided by law, the written consent
7 of two-thirds of the elected members of each house of the legislature. For the
8 purposes of this Paragraph, an emergency is an event or occurrence not reasonably
9 anticipated by the legislature and an impending flood emergency shall be an
10 anticipated situation which endangers an existing flood protection structure. The
11 appropriation or indebtedness incurred for an impending flood emergency shall not
12 exceed two hundred fifty thousand dollars for any one event or occurrence. ~~For an~~
13 ~~impending emergency to qualify for funding it must be determined as such by the~~
14 ~~United States Army Corp of Engineers or the United States Coast Guard.~~ Total
15 funding for such impending emergencies shall not exceed twenty-five percent of the
16 funds annually available to the Interim Emergency Board.

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

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

24 §8. State Bond Commission

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

27 (B) Approval of Bonds. No bonds or other obligations shall be issued or
28 sold by the state, directly or through any state board, agency, or commission, or by

1 any political subdivision of the state, unless prior written approval of the bond
2 commission is obtained.

3 (C) Contesting State Bonds. Bonds, notes, certificates, or other evidences
4 of indebtedness of the state, ~~hereafter~~ hereinafter referred to as "bonds"), shall not
5 be invalid because of any irregularity or defect in the proceedings or in the issuance
6 and sale thereof and shall be incontestable in the hands of a bona fide purchaser or
7 holder. The issuing agency, after authorizing the issuance of bonds by resolution,
8 shall publish once in the official journal of the state, as provided by law, a notice of
9 intention to issue the bonds. The notice shall include a description of the bonds and
10 the security therefor. Within thirty days after the publication, any person in interest
11 may contest the legality of the resolution, any provision of the bonds to be issued
12 pursuant to it, the provisions securing the bonds, and the validity of all other
13 provisions and proceedings relating to the authorization and issuance of the bonds.
14 If no action or proceeding is instituted within the thirty days, no person may contest
15 the validity of the bonds, the provisions of the resolution pursuant to which the bonds
16 were issued, the security of the bonds, or the validity of any other provisions or
17 proceedings relating to their authorization and issuance, and the bonds shall be
18 presumed conclusively to be legal. Thereafter no court shall have authority to
19 inquire into such matters.

20 §9. State Funds

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

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

26 (2) by trade or professional associations;

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

28 (4) by retirement system funds;

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

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

8 (B) Bond Security and Redemption Fund. ~~Subject to contractual obligations~~
9 ~~existing on the effective date of this constitution, all~~ All state money deposited in the
10 state treasury shall be credited to a special fund designated as the Bond Security and
11 Redemption Fund, except money received as the result of grants or donations or
12 other forms of assistance when the terms and conditions thereof or of agreements
13 pertaining thereto require otherwise. In each fiscal year an amount is allocated from
14 the bond security and redemption fund sufficient to pay all obligations which are
15 secured by the full faith and credit of the state and which become due and payable
16 within the current fiscal year, including principal, interest, premiums, sinking or
17 reserve fund, and other requirements. Thereafter, except as otherwise provided by
18 law, money remaining in the fund shall be credited to the state general fund.

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

22 §10. Expenditure of State Funds

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

1 (B) Official Forecast. The conference shall prepare and publish initial and
2 revised estimates of money to be received by the state general fund and dedicated
3 funds for the current and next fiscal years which are available for appropriation. In
4 each estimate, the conference shall designate the money in the estimate which is
5 recurring and which is nonrecurring. All conference decisions to adopt these
6 estimates shall be by unanimous vote of its members. Changes to the unanimous
7 vote requirement shall be made by law enacted by a favorable vote of two-thirds of
8 the elected members of each house. The most recently adopted estimate of money
9 available for appropriation shall be the official forecast.

10 (C) Expenditure Limit. (1) The legislature shall provide for the
11 determination of an expenditure limit for each fiscal year to be established during the
12 first quarter of the calendar year for the next fiscal year. However, the expenditure
13 limit for the 1991-1992 Fiscal Year shall be the actual appropriations from the state
14 general fund and dedicated funds for that year except funds allocated by Article VII,
15 Section 4, Paragraphs (D) and (E). For subsequent fiscal years, the limit shall not
16 exceed the expenditure limit for the current fiscal year plus an amount equal to that
17 limit times a positive growth factor. The growth factor is the average annual
18 percentage rate of change of personal income for Louisiana as defined and reported
19 by the United States Department of Commerce for the three calendar years prior to
20 the fiscal year for which the limit is calculated.

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

25 (3) Beginning with the 1995-1996 Fiscal Year, the expenditure limit shall
26 be determined in accordance with the provisions of Paragraph (J) of this Section.
27 The redetermination of the expenditure limit for each fiscal year from the 1991-1992
28 Fiscal Year through the 1994-1995 Fiscal Year shall only be used in computing the

1 expenditure limit for the 1995-1996 Fiscal Year and shall not affect the expenditure
2 limit already computed in accordance with this Paragraph for such fiscal years.

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

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

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

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

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

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

1 (iii) For Fiscal Year 2015-2016 and every fiscal year thereafter the
2 legislature shall appropriate no less than ten percent of any money designated in the
3 official forecast as nonrecurring to the Louisiana State Employees' Retirement
4 System and the Teachers' Retirement System of Louisiana for application to the
5 balance of the unfunded accrued liability of such systems existing as of June 30,
6 1988, in proportion to the balance of such unfunded accrued liability of each such
7 system. Any such payments to the public retirement systems shall not be used,
8 directly or indirectly, to fund cost-of-living increases for such systems.

9 (c) Providing funding for capital outlay projects in the comprehensive state
10 capital budget.

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

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

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

19 (3)(a) The legislature shall provide by law for the payment by the state of
20 supplements to the salaries of full-time local law enforcement and fire protection
21 officers of the state. No law shall reduce any payments by the state provided as a
22 supplement to the salaries of full-time local law enforcement and fire protection
23 officers of the state. Beginning with the fiscal year which begins July 1, 2003, the
24 legislature shall appropriate funds sufficient to fully fund the cost of such state
25 supplement to the salaries of full-time law enforcement and fire protection officers.

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

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

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

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

12 (F) Projected Deficit. (1) The legislature by law shall establish a procedure
13 to determine if appropriations will exceed the official forecast and an adequate
14 method for adjusting appropriations in order to eliminate a projected deficit. Any
15 law establishing a procedure to determine if appropriations will exceed the official
16 forecast and methods for adjusting appropriations, including any constitutionally
17 protected or mandated allocations or appropriations, once enacted, shall not be
18 changed except by specific legislative instrument which receives a favorable vote of
19 two-thirds of the elected members of each house of the legislature. Notwithstanding
20 the provisions of Article III, Section 2 of this constitution, such law may be
21 introduced and considered in any regular session of the legislature.

22 (2)(a) Notwithstanding any other provision of this constitution to the
23 contrary, adjustments to any constitutionally protected or mandated allocations or
24 appropriations, and transfer of monies associated with such adjustments, are
25 authorized when state general fund allocations or appropriations have been reduced
26 in an aggregate amount equal to at least seven-tenths of one percent of the total of
27 such allocations and appropriations for a fiscal year. Such adjustments may not
28 exceed five percent of the total appropriation or allocation from a fund for the fiscal
29 year. For purposes of this Subsubparagraph, reductions to expenditures required by

1 Article VIII, Section 13(B) of this constitution shall not exceed one percent and such
2 reductions shall not be applicable to instructional activities included within the
3 meaning of instruction pursuant to the Minimum Foundation Program formula.
4 Notwithstanding any other provisions of this constitution to the contrary, monies
5 transferred as a result of such budget adjustments are deemed available for
6 appropriation and expenditure in the year of the transfer from one fund to another,
7 but in no event shall the aggregate amount of any transfers exceed the amount of the
8 deficit.

9 (b) Notwithstanding any other provision of this constitution to the contrary,
10 for the purposes of the budget estimate and enactment of the budget for the next
11 fiscal year, when the official forecast of recurring revenues for the next fiscal year
12 is at least one percent less than the official forecast for the current fiscal year, the
13 following procedure may be employed to avoid a budget deficit in the next fiscal
14 year. An amount not to exceed five percent of the total appropriations or allocations
15 for the current fiscal year from any fund established by law or this constitution shall
16 be available for expenditure in the next fiscal year for a purpose other than as
17 specifically provided by law or this constitution. For the purposes of this
18 Subsubparagraph, an amount not to exceed one percent of the current fiscal year
19 appropriation for expenditures required by Article VIII, Section 13(B) of this
20 constitution shall be available for expenditures for other purposes in the next fiscal
21 year. Notwithstanding any other provisions of this constitution to the contrary,
22 monies made available as authorized under this Subsubparagraph may be transferred
23 to a fund for which revenues have been forecast to be less than the revenues in the
24 current fiscal year for such fund. Monies transferred as a result of the budget actions
25 authorized by this Subsubparagraph are deemed available for appropriation and
26 expenditure, but in no event shall the aggregate amount of any such transfers exceed
27 the amount of the difference between the official forecast for the current fiscal year
28 and the next fiscal year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 (1) The federal government.

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

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

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

18 §10-A. Wildlife and Fisheries; Conservation Fund

19 Section 10-A. (A) Conservation Fund. Effective July 1, 1988, there shall
20 be established in the state treasury, as a special fund, the Louisiana Wildlife and
21 Fisheries Conservation Fund, hereinafter referred to as the Conservation Fund. Out
22 of the funds remaining in the Bond Security and Redemption Fund after a sufficient
23 amount is allocated from that fund to pay all obligations secured by the full faith and
24 credit of the state which become due and payable within any fiscal year as required
25 by Article VII, Section 9(B) of this constitution, the treasurer shall pay into the
26 Conservation Fund all of the following, except as provided in Article VII, Section
27 9(A), and except for the amount provided in R.S. 56:10(B)(1)(a) as that provision
28 existed on the effective date of this Section:

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

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

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

13 ~~(3)~~(2) All funds or revenues which may be donated expressly to the
14 Conservation Fund.

15 (B) The monies in the Conservation Fund shall be appropriated by the
16 legislature to the Department of Wildlife and Fisheries, or its successor, and shall be
17 used solely for the programs and purposes of conservation, protection, preservation,
18 management, and replenishment of the state's natural resources and wildlife,
19 including use for land acquisition or for federal matching fund programs which
20 promote such purposes, and for the operation and administration of the Department
21 and the Wildlife and Fisheries Commission, or their successors.

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

1 §10.1. Quality Trust Fund; Education

2 Section 10.1.(A) Louisiana Education Quality Trust Fund. (1) Effective
3 January 1, 1987, there shall be established in the state treasury as a special permanent
4 trust fund the Louisiana Education Quality Trust Fund, hereinafter referred to as the
5 "Permanent Trust Fund." After allocation of money to the Bond Security and
6 Redemption Fund as provided in Article VII, Section 9(B) of this constitution, and
7 notwithstanding Article XIV, Section 10 of this constitution, the treasurer shall
8 deposit in and credit to the Permanent Trust Fund all money which is received after
9 the first one hundred million dollars from the federal government under Section
10 1337(g) of Title 43 of the United States Code which is attributable to mineral
11 production activity or leasing activity on the Outer Continental Shelf which has been
12 held in escrow pending a settlement between the United States and the state of
13 Louisiana; twenty-five percent of the recurring revenues received under Section
14 1337(g) of Title 43 of the United States Code which are attributable to mineral
15 production activity or leasing activity on the Outer Continental Shelf; twenty-five
16 percent of the interest income earned on investment of monies in the Permanent
17 Trust Fund; seventy-five percent of the realized capital gains on investment of the
18 Permanent Trust Fund, unless such percentage is changed by law enacted by two-
19 thirds of the elected members of each house of the legislature; and twenty-five
20 percent of the dividend income earned on investment of the Permanent Trust Fund.
21 No appropriation shall be made from the Permanent Trust Fund. ~~If any such money~~
22 ~~has been received prior to the effective date of this Section, the treasurer shall~~
23 ~~transfer from the state general fund to the Permanent Trust Fund on the effective date~~
24 ~~of this Section an amount of money which shall make the Permanent Trust Fund~~
25 ~~balance equal to the amount of such money previously received, except for the first~~
26 ~~one hundred million dollars.~~ After six hundred million dollars has been credited to
27 the Permanent Trust Fund, the sum of fifty million dollars shall be credited to the
28 Coastal Environment Protection Trust Fund, as established in R.S. 30:313, from
29 those monies received from the federal government under Section 1337(g) of Title

1 43 of the United States Code which is attributable to mineral production activity or
2 leasing activity on the Outer Continental Shelf and which has been held in escrow
3 pending a settlement between the United States and the state of Louisiana; all funds
4 in excess of seven hundred fifty million dollars shall be credited to the Permanent
5 Trust Fund.

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

17 (3) All recurring revenues and interest earnings shall be credited to the
18 respective funds as provided in Subparagraphs (1) and (2) above until the balance in
19 the Permanent Trust Fund equals two billion dollars. After the Permanent Trust
20 Fund reaches a balance of two billion dollars, all interest earnings on the Permanent
21 Trust Fund shall be credited to the Support Fund and all recurring revenues shall be
22 credited to the State General Fund.

23 (B) Investment. The money credited to the Permanent Trust Fund pursuant
24 to Paragraph (A) of this Section shall be permanently credited to the Permanent Trust
25 Fund and shall be invested by the treasurer. Notwithstanding any provision of this
26 constitution or other law to the contrary, a portion of money in the Permanent Trust
27 Fund, not to exceed thirty-five percent, may be invested in stock. The legislature
28 shall provide for procedures for the investment of such monies by law. The treasurer
29 shall contract, subject to the approval of the State Bond Commission, for the

1 management of such investments. The amounts in the Support Fund shall be
2 available for appropriation to pay expenses incurred in the investment and
3 management of the Permanent Trust Fund and for educational purposes only as
4 provided in Paragraphs (C) and (D) of this Section.

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

12 (2) Except for appropriations to pay expenses incurred in the investment and
13 management of the Permanent Trust Fund, the legislature shall appropriate from the
14 Support Fund only for educational purposes provided in Paragraph (D) of this
15 Section and shall appropriate fifty percent of the available funds for higher
16 educational purposes and fifty percent for elementary and secondary educational
17 purposes. Those monies to be used for administrative costs shall be expended for
18 such purposes only if so approved and appropriated by the legislature.

19 (3) The legislature shall appropriate the total amount intended for higher
20 educational purposes to the Board of Regents and the total amount intended for
21 elementary and secondary educational purposes to the State Board of Elementary and
22 Secondary Education which boards shall allocate the monies so appropriated to the
23 programs as previously approved by the legislature.

24 (4) The monies appropriated by the legislature and disbursed from the
25 Support Fund shall not displace, replace, or supplant appropriations from the general
26 fund for elementary and secondary education, including implementing the Minimum
27 Foundation Program, or displace, replace, or supplant funding for higher education.
28 For elementary and secondary education and for higher education, this Paragraph
29 shall mean that no appropriation for any fiscal year from the Support Fund shall be

1 made for any purpose for which a general fund appropriation was made in the
2 previous year unless the total appropriations for that fiscal year from the state general
3 fund for such purpose exceed general fund appropriations for the previous year. This
4 Paragraph shall in no way limit general fund appropriations in excess of the
5 minimum amounts herein established.

6 (D) Disbursement; Higher Education and Elementary and Secondary
7 Education.

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

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

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

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

18 (d) The recruitment of superior graduate students.

19 (2) The treasurer shall disburse not more than fifty percent of the monies in
20 the Support Fund as that money is appropriated by the legislature and allocated by
21 the State Board of Elementary and Secondary Education for any or all of the
22 following elementary and secondary educational purposes:

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

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

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

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

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

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

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

9 §10.2. Coastal Protection and Restoration Fund

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

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

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) As provided by the requirements of Article VII, Sections 10-A and 10.1
25 of this constitution.

26 (B)(1) After making the allocations provided for in Paragraph (A), the
27 treasurer shall then deposit in and credit to the Coastal Protection and Restoration
28 Fund any amount of mineral revenues that may be necessary to insure that a total of
29 five million dollars is deposited into such fund for the fiscal year from this source;

1 ~~provided that the balance of the fund which consists of mineral revenues from~~
2 ~~severance taxes, royalty payments, bonus payments, or rentals shall not exceed an~~
3 ~~amount provided by law, but in no event shall the amount provided by law be less~~
4 ~~than five hundred million dollars.~~

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

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

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

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

18 (C) The money in the fund shall be invested as provided by law and any
19 earnings realized on investment of money in the fund shall be deposited in and
20 credited to the fund. Money from other sources, such as donations, appropriations,
21 or dedications, may be deposited in and credited to the fund; however, the balance
22 of the fund which consists of mineral revenues from severance taxes, royalty
23 payments, bonus payments, or rentals shall not exceed an amount provided by law,
24 but in no event shall the amount provided by law be less than five hundred million
25 dollars. Any unexpended money remaining in the fund at the end of the fiscal year
26 shall be retained in the fund.

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

1 No appropriation shall be made from the fund inconsistent with the purposes
2 of the plan.

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

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

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

15 (F)(1) Notwithstanding the provisions of Article VII, Section 10, Article VII,
16 Section 10.3, Article VII, Section 10.8, or any other provision of this constitution to
17 the contrary, if, after July 1, 2006, the state securitizes any portion of the revenues
18 received from the Master Settlement Agreement executed November 23, 1998, and
19 approved by Consent Decree and Final Judgment entered in the case "Richard P.
20 Ieyoub, Attorney General, ex rel. State of Louisiana v. Philip Morris, Incorporated,
21 et al.," bearing Number 98-6473 on the docket of the Fourteenth Judicial District for
22 the parish of Calcasieu, state of Louisiana, the treasurer shall transfer to the fund
23 established in Paragraph ~~A~~ (A) of this Section twenty percent in the aggregate of the
24 revenues received as a result of the securitization occurring after July 1, 2006.

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

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

4 §10.3. Budget Stabilization Fund

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

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

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

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

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

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

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

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

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

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

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

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

17 (1) If the official forecast of recurring money for the next fiscal year is less
18 than the official forecast of recurring money for the current fiscal year, the
19 difference, not to exceed one-third of the fund shall be incorporated into the next
20 year's official forecast only after the consent of two-thirds of the elected members
21 of each house of the legislature. If the legislature is not in session, the two-thirds
22 requirement may be satisfied upon obtaining the written consent of two-thirds of the
23 elected members of each house of the legislature in a manner provided by law.

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

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

7 (4) In no event shall the amount included in the official forecast for the next
8 fiscal year pursuant to Subparagraph (1) of this Paragraph, plus the amount
9 appropriated in the current fiscal year pursuant to Subparagraph (2) of this
10 Paragraph, plus the amount appropriated pursuant to Subparagraph (3) of this
11 Paragraph exceed one-third of the fund balance at the beginning of the current fiscal
12 year.

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

16 §10.4. Higher Education Louisiana Partnership Fund; Program

17 Section 10.4.(A) Higher Education Louisiana Partnership Fund. (1) There
18 is hereby established a special fund in the state treasury to be known as the Higher
19 Education Louisiana Partnership Fund, hereinafter referred to as the "fund",
20 consisting of monies appropriated annually by the legislature, grants, gifts, and
21 donations received by the state for the purposes of this Section, and other revenues
22 as may be provided by law; provided that no such monies shall come from the
23 allocations provided in Article VII, Section 4, Paragraphs (D) and (E) of this
24 constitution.

25 (2) All unexpended and unencumbered monies in the Higher Education
26 Louisiana Partnership Fund at the end of a fiscal year shall remain in such fund and
27 be available for appropriation in the next fiscal year. The monies in the fund shall
28 be invested by the state treasurer in accordance with state law, and interest earned
29 on the investment of these monies shall be credited to the fund, after compliance

1 with the requirements of Article VII, Section 9(B) of the Constitution of Louisiana,
2 relative to the Bond Security and Redemption Fund.

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

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

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

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

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

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

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

15 (5) Each institution of higher education, under the supervision and
16 management of its board, shall have the responsibility for the administration of the
17 Higher Education Louisiana Partnership Program at that institution and for
18 maintenance and investment of its fund. The institution shall be responsible for
19 soliciting and receiving gifts from private sources to be used for the purposes of this
20 Section.

21 (6) State matching grants from funds allocated for the Higher Education
22 Louisiana Partnership Program may be made for the purposes of endowed
23 professorships totaling one hundred thousand dollars or more; endowed
24 undergraduate scholarships totaling fifty thousand dollars or more; library
25 acquisitions, laboratory enhancement, or research and instructional equipment
26 acquisitions totaling fifty thousand dollars or more; or facilities construction or
27 renovations totaling one hundred thousand dollars or more.

28 (7) The monies appropriated by the legislature and disbursed from the
29 Higher Education Louisiana Partnership Fund shall not displace, replace, or supplant

1 appropriations for higher education from the general fund or from bond proceeds.
2 This shall mean that no disbursement from the fund for a current fiscal year shall be
3 made for any higher education purpose for which an appropriation was made the
4 previous year from the general fund or from bond proceeds unless the total
5 appropriations for the current fiscal year for higher education from the state general
6 fund or from bond proceeds exceed general fund appropriations or bond proceeds
7 appropriations for higher education for the previous year. This requirement shall in
8 no way limit appropriations from the general fund or from bond proceeds in excess
9 of the minimum amounts herein established.

10 (C) Implementation.

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

12 §10.5. Mineral Revenue Audit and Settlement Fund

13 Section 10.5.(A) There shall be established in the state treasury the Mineral
14 Revenue Audit and Settlement Fund, hereinafter referred to as the "fund". Of
15 revenues received in each fiscal year by the state through settlements or judgments
16 which equal, in both principal and interest, five million dollars or more for each such
17 settlement or judgment, resulting from underpayment to the state of severance taxes,
18 royalty payments, bonus payments, or rentals, the treasurer shall make the following
19 allocations as required:

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 Section 4(D) and (E) of this constitution.

24 (3) As provided by the requirements of Article VII, Sections 10-A, 10.1,
25 10.2, and 10.3 of this constitution.

26 (B) After making the allocations provided for in Paragraph (A), the treasurer
27 shall then deposit in and credit to the Mineral Revenue Audit and Settlement Fund
28 any such remaining revenues. Any revenues deposited in and credited to the fund
29 shall be considered mineral revenues from severance taxes, royalty payments, bonus

1 payments, or rentals for purposes of determining deposits and credits to be made in
2 and to the Coastal Protection and Restoration Fund as provided in Article VII,
3 Section 10.2 of this constitution. Any revenues deposited in and credited to the fund
4 shall not be considered mineral revenues for purposes of the Budget Stabilization
5 Fund as provided in Article VII, Section 10.3 of this constitution. Money in the fund
6 shall be invested as provided by law. The earnings realized in each fiscal year on the
7 investment of monies in the Mineral Revenue Audit and Settlement Fund shall be
8 deposited in and credited to the Mineral Revenue Audit and Settlement Fund.

9 (C) After making the allocations provided for in ~~Paragraph~~ Paragraphs (A)
10 and (B), the treasurer shall credit thirty-five million dollars to the Coastal Protection
11 and Restoration Fund, and thereafter any monies credited to the fund in any fiscal
12 year may be annually appropriated by the legislature only for the purposes of
13 retirement in advance of maturity through redemption, purchase, or repayment of
14 debt of the state, pursuant to a plan proposed by the State Bond Commission to
15 maximize the savings to the state; for payments against the unfunded accrued
16 liability of the public retirement systems which are in addition to any payments
17 required for the annual amortization of the unfunded accrued liability of the public
18 retirement systems, required by Article X, Section 29 of this constitution; however,
19 any such payment to the public retirement systems shall not be used, directly or
20 indirectly, to fund cost-of-living increases for such systems; and for deposit in the
21 Coastal Protection and Restoration Fund.

22 §10.6. Oilfield Site Restoration Fund

23 Section 10.6.(A) Oilfield Site Restoration Fund. Effective January 4, 1996,
24 there shall be established in the state treasury, as a special fund, the Oilfield Site
25 Restoration Fund, hereinafter referred to as the restoration fund. Out of the funds
26 remaining in the Bond Security and Redemption Fund after a sufficient amount is
27 allocated from that fund to pay all obligations secured by the full faith and credit of
28 the state which become due and payable within any fiscal year as required by Article

1 VII, Section 9(B) of this constitution, the treasurer shall pay into the restoration fund
2 all of the following:

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

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

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

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

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

17 (B) The monies in the restoration fund shall be appropriated by the
18 legislature to the Department of Natural Resources, or its successor, and shall be
19 used solely for the programs and purposes of oilfield site restoration as required by
20 law.

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

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

1 §10.7. Oil Spill Contingency Fund

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

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

16 **(b)** Any increase in the amount charged for such fees, taxes, penalties,
17 judgments, reimbursements, charges, and federal funds collected or other revenue,
18 or any new fees, taxes, penalties, judgments, reimbursements, charges, and federal
19 funds collected or other revenue enacted by the legislature for the purposes of
20 abatement and containment of actual or threatened unauthorized discharges of oil
21 after the effective date of this Section, shall be irrevocably dedicated and deposited
22 in the contingency fund.

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

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

27 (B) The monies in the contingency fund shall be appropriated by the
28 legislature to be used solely for the programs and purposes of abatement and
29 containment of actual or threatened unauthorized discharges of oil as provided by

1 law; and for administrative expenses associated with such programs and purposes as
2 provided by law.

3 (C) All unexpended and unencumbered monies in the contingency fund at
4 the 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 balance of the
7 fund shall not exceed thirty million dollars or otherwise as provided by law.

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

10 §10.8. Millennium Trust

11 Section 10.8. Millennium Trust

12 (A) Creation

13 (1) There shall be established in the state treasury as a special permanent
14 trust the "Millennium Trust". After allocation of money to the Bond Security and
15 Redemption Fund as provided in Article VII, Section 9(B) of this constitution, the
16 treasurer shall deposit in and credit to the Millennium Trust certain monies received
17 as a result of the Master Settlement Agreement, hereinafter the "Settlement
18 Agreement", executed November 23, 1998, and approved by Consent Decree and
19 Final Judgment entered in the case "Richard P. Ieyoub, Attorney General, ex rel.
20 State of Louisiana v. Philip Morris, Incorporated, et al.", bearing Number 98-6473
21 on the docket of the Fourteenth Judicial District for the parish of Calcasieu, state of
22 Louisiana; and all dividend and interest income and all realized capital gains on
23 investment of the monies in the Millennium Trust. The treasurer shall deposit in and
24 credit to the Millennium Trust ~~the following amounts of monies received as a result~~
25 ~~of the Settlement Agreement:~~

26 (a) ~~Fiscal Year 2000-2001, forty-five percent of the total monies received~~
27 ~~that year:~~

28 (b) ~~Fiscal Year 2001-2002, sixty percent of the total monies received that~~
29 ~~year:~~

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

9 ~~(d) For Fiscal Year 2000-2001, Fiscal Year 2001-2002, and Fiscal Year~~
10 ~~2002-2003, ten percent of the total monies received in each of those years for credit~~
11 ~~to the Education Excellence Fund which, notwithstanding the provisions of~~
12 ~~Subparagraph (C)(1) of this Section, shall be appropriated for the purposes provided~~
13 ~~in Subsubparagraph (d) of Subparagraph (3) of Paragraph (C) of this Section.~~

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

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

26 (c) Beginning on July 1, 2012, after allocation of money to the Bond
27 Security and Redemption Fund as provided in Article VII, Section 9(B) of this
28 constitution, the state treasurer shall deposit in and credit to the Health Excellence

1 Fund an amount equal to the revenues derived from the tax levied pursuant to R.S.
2 47:841(B)(3).

3 (3)(a) The Education Excellence Fund shall be established as a special fund
4 within the Millennium Trust. The treasurer shall credit to the Education Excellence
5 Fund one-third of the Settlement Agreement proceeds deposited each year into the
6 Millennium Trust, and one-third of all investment earnings on the investment of the
7 Millennium Trust. The treasurer shall report annually to the legislature and the state
8 superintendent of education as to the amount of Millennium Trust investment
9 earnings credited to the Education Excellence Fund.

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

15 (4)(a) The TOPS Fund shall be established as a special fund within the
16 Millennium Trust. The treasurer shall deposit in and credit to the TOPS Fund one-
17 third of the Settlement Agreement proceeds deposited into the Millennium Trust, and
18 one-third of all investment earnings on the investment of the Millennium Trust. The
19 treasurer shall report annually to the legislature as to the amount of Millennium Trust
20 investment earnings credited to the TOPS Fund.

21 (b) Beginning Fiscal Year 2011-2012, and each fiscal year thereafter, the
22 treasurer shall credit to the TOPS Fund one hundred percent of the Settlement
23 Agreement proceeds deposited into the Millennium Trust, and one-third of all
24 investment earnings on the investment of the Millennium Trust. The treasurer shall
25 report annually to the legislature as to the amount of Millennium Trust Settlement
26 Agreement proceeds and investment earnings credited to the TOPS Fund.

27 ~~(c) Upon the effective date of this Subsubparagraph, the state treasurer shall~~
28 ~~deposit, transfer, or otherwise credit funds in an amount equal to such Settlement~~
29 ~~Agreement proceeds deposited in and credited to the Millennium Trust received by~~

1 ~~the state between April 1, 2011 and the effective date of this Subsubparagraph to the~~
2 ~~TOPS Fund.~~

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

8 (B) Investment. Monies credited to the Millennium Trust pursuant to
9 Paragraph (A) of this Section shall be invested by the treasurer with the same
10 authority and subject to the same restrictions as the Louisiana Education Quality
11 Trust Fund. However, the portion of monies in the Millennium Trust which may be
12 invested in stock may be increased to no more than fifty percent by a specific
13 legislative instrument which receives a favorable vote of two-thirds of the elected
14 members of each house of the legislature. The legislature shall provide for
15 procedures for the investment of such monies by law. The treasurer may contract,
16 subject to the approval of the State Bond Commission, for the management of such
17 investments and, if a contract is entered into, amounts necessary to pay the costs of
18 the contract shall be appropriated from the Millennium Trust.

19 (C) Appropriations. (1)(a) Appropriations from the Education Excellence
20 Fund shall be limited to an annual amount not to exceed the estimated aggregate
21 annual earnings from interest, dividends, and realized capital gains on investment of
22 the trust allocated as provided by Paragraph (A) of this Section and as recognized by
23 the Revenue Estimating Conference. Amounts determined to be available for
24 appropriation shall be those aggregate investment earnings which are in excess of an
25 inflation factor as determined by the Revenue Estimating Conference. The amount
26 of realized capital gains on investment which may be included in the aggregate
27 earnings available for appropriation in any year shall not exceed the aggregate of
28 earnings from interest and dividends for that year.

1 ~~(b)(i) For Fiscal Year 2011-2012, appropriations from the Health 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 and credited to the Health Excellence Fund as provided by Subsubparagraph~~
5 ~~(A)(2)(b) of this Section and as recognized by the Revenue Estimating Conference.~~

6 (ii) For Fiscal Year 2012-2013, and each fiscal year thereafter,
7 appropriations from the Health Excellence Fund shall be limited to an annual amount
8 not to exceed the estimated aggregate annual earnings from interest, dividends, and
9 realized capital gains on investment of the trust and credited to the Health Excellence
10 Fund as provided by Subsubparagraph (A)(2)(b) of this Section and as recognized
11 by the Revenue Estimating Conference and the amount of proceeds credited to and
12 deposited into the Health Excellence Fund as provided by Subsubparagraph (A)(2)(c)
13 of this Section.

14 (c)(i) ~~For Fiscal Year 2011-2012, appropriations from the TOPS Fund shall~~
15 ~~be limited to the amount of Settlement Agreement proceeds credited to and deposited~~
16 ~~into the TOPS Fund as provided by Subsubparagraphs (A)(4)(b) and (c) of this~~
17 ~~Section, and an annual amount not to exceed the estimated aggregate annual earnings~~
18 ~~from interest, dividends, and realized capital gains on investment of the trust and~~
19 ~~credited to the TOPS Fund as provided by Subsubparagraph (A)(4)(b) of this Section~~
20 ~~and as recognized by the Revenue Estimating Conference.~~

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

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

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

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

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

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

20 (3) Appropriations from the Education Excellence Fund shall be limited as
21 follows:

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

28 (b) Appropriations shall be made each year to the Louisiana Educational
29 Television Authority in the amount of seventy-five thousand dollars and to the

1 Louisiana School for the Deaf, the Louisiana School for the Visually Impaired, the
2 Louisiana Special Education Center in Alexandria, the Jimmy D. Long, Sr. Louisiana
3 School for Math, Science, and the Arts, the New Orleans Center for Creative Arts,
4 the Louis Armstrong High School for the Arts, and Thrive Academy, after such
5 schools are operational, to provide for a payment to each school of seventy-five
6 thousand dollars plus an allocation for each pupil equal to the average statewide per
7 pupil amount provided each city, parish, and local school system pursuant to
8 Subsubparagraph ~~(e)~~ (d) of this Subparagraph.

9 (c) Appropriations may be made for independent public schools approved
10 by the State Board of Elementary and Secondary Education or any city, parish, or
11 other local school system, laboratory schools approved by the State Board of
12 Elementary and Secondary Education and operated by a public postsecondary
13 education institution, and for alternative schools and programs which are authorized
14 and approved by the State Board of Elementary and Secondary Education but are not
15 subject to the jurisdiction and management of any city, parish, or local school system
16 to provide for an allocation for each pupil, which shall be the average statewide per
17 pupil amount provided in each city, parish, or local school system pursuant to
18 Subsubparagraph ~~(e)~~ (d) of this Subparagraph.

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

27 ~~(f)~~ (e) Monies appropriated pursuant to this Subparagraph shall be restricted
28 to expenditure for pre-kindergarten through twelfth grade instructional enhancement
29 for students, including early childhood education programs focused on enhancing the

1 preparation of at-risk children for school, remedial instruction, and assistance to
 2 children who fail to achieve the required scores on any tests passage of which are
 3 required pursuant to state law or rule for advancement to a succeeding grade or other
 4 educational programs approved by the legislature. Expenditures for maintenance or
 5 renovation of buildings, capital improvements, and increases in employee salaries
 6 are prohibited. The state superintendent of education shall be responsible for
 7 allocating all money due private schools.

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

17 ~~(h)~~ (g) No amount appropriated as required in this Paragraph shall displace,
 18 replace, or supplant appropriations from the general fund for elementary and
 19 secondary education, including implementing the Minimum Foundation Program.
 20 This Subsubparagraph shall mean that no appropriation for any fiscal year from the
 21 Education Excellence Fund shall be made for any purpose for which a general fund
 22 appropriation was made in the previous year unless the total appropriations for the
 23 fiscal year from the state general fund for such purpose exceed general fund
 24 appropriations of the previous year. Nor shall any money allocated to a city or parish
 25 school board pursuant to this Paragraph displace, replace, or supplant locally
 26 generated revenue, which means that no allocation to any city or parish school board
 27 from the investment earnings attributable to the Education Excellence Fund shall be
 28 expended for any purpose for which a local revenue source was expended for that
 29 purpose for the previous year unless the total of the local revenue amount expended

1 that fiscal year exceeds the total of such local revenue amounts for the previous
2 fiscal year.

3 (i) (h) The treasurer shall maintain within the state treasury a record of the
4 amounts appropriated and credited for each entity through appropriations authorized
5 in this Subparagraph and which remain in the state treasury. Notwithstanding any
6 other provisions of this constitution to the contrary, such amounts, and investment
7 earnings attributable to such amounts, shall remain to the credit of each recipient
8 entity at the close of each fiscal year.

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

12 §10.9. Louisiana Fund

13 Section 10.9. Louisiana Fund

14 (A) The Louisiana Fund is established in the state treasury as a special fund.
15 After allocation of money to the Bond Security and Redemption Fund as provided
16 in Article VII, Section 9(B) of this constitution, the treasurer shall deposit in and
17 credit to the Louisiana Fund all remaining monies received as a result of the
18 Settlement Agreement after deposits into the Millennium Trust as provided in
19 Section 10.8 of this Article, and all interest income on the investment of monies in
20 the Louisiana Fund. Monies in the Louisiana Fund shall be invested by the treasurer
21 in the same manner as the state general fund.

22 (B) Appropriations from the Louisiana Fund shall be restricted to the
23 following purposes:

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

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

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

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

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

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

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

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

15 §10.10. Millennium Leverage Fund

16 Section 10.10. Millennium Leverage Fund

17 (A) Millennium Leverage Fund. Notwithstanding the provisions of Article
18 VII, Sections 10.8 and 10.9 of this constitution, the legislature may provide, by
19 passage of a specific legislative instrument by a favorable vote of two-thirds of the
20 elected members of each house of the legislature, for the deposit of all or a portion
21 of monies received by the state as a result of the Master Settlement Agreement,
22 hereinafter the "Settlement Agreement", executed November 23, 1998, and approved
23 by Consent Decree and Final Judgment entered in the case "Richard P. Ieyoub,
24 Attorney General, ex rel. State of Louisiana v. Philip Morris, Incorporated, et al.",
25 bearing Number 98-6473 on the docket of the Fourteenth Judicial District for the
26 parish of Calcasieu, state of Louisiana; after satisfying the requirements of Article
27 VII, Section 9(B) of this constitution, into the Millennium Leverage Fund which is
28 hereby established as a special permanent trust fund in the state treasury. The
29 Millennium Leverage Fund shall hereinafter be referred to as the "Leverage Fund".

1 (B) Investment. Monies deposited in the Leverage Fund shall be invested
2 and administered by the treasurer. Notwithstanding any provision of this constitution
3 to the contrary, a portion of the monies in the Leverage Fund, not to exceed fifty
4 percent, may be invested in stock. The legislature shall provide for the procedure for
5 the investment of such monies by law. The treasurer shall contract, subject to
6 approval of the State Bond Commission, for the management of such investments.
7 The monies in the Leverage Fund shall be available for appropriation to pay
8 expenses incurred in the investment and management of monies in the fund.

9 (C) Revenue Bonds. The State Bond Commission, or its successor, may
10 issue and sell bonds, notes, or other obligations, hereinafter the "bonds" secured by
11 a pledge of a portion of the monies received by the state as a result of the Settlement
12 Agreement which are otherwise to be deposited in the Leverage Fund as provided
13 in this Section. Such bonds may be issued only in amounts authorized by the
14 legislature by two-thirds of the elected members of each house of the legislature. If
15 settlement revenues are pledged to secure any revenue bonds issued pursuant to this
16 Section, any portion thereof needed to pay principal, interest, or premium, if any, and
17 other obligations incident to the issuance, security, prepayment, defeasance, and
18 payment in respect thereof may be expended by the treasurer without the need for an
19 appropriation, provided that the prepayment or defeasance has been approved by the
20 legislature. Bonds so issued may also be further secured by a collateralization of all
21 or a portion of monies in the Leverage Fund. If bonds are issued subject to such a
22 collateralization, the treasurer may pay from the Leverage Fund any principal,
23 interest, or premium, if any, and other obligations incident to the issuance, security,
24 prepayment, defeasance, and payment in respect thereof without the need for an
25 appropriation, provided that the prepayment or defeasance has been approved by the
26 legislature. The net proceeds of any bonds issued pursuant to this Section shall be
27 deposited in and credited to the Leverage Fund. ~~Any revenue bonds issued under~~
28 ~~authority of this Section shall not be general obligation bonds secured by the full~~
29 ~~faith and credit of the state.~~

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

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

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

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

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

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

17 (e) The amounts available for appropriation for each of the purposes
18 contained in Subparagraphs (a) through (c) of this Paragraph may be increased, and
19 the amount available for appropriation for the purposes of Subsubparagraph (d) may
20 be decreased by a specific legislative instrument which receives a favorable vote of
21 two-thirds of the elected members of each house of the legislature.

22 (E) Termination. The legislature may, by passage of a specific legislative
23 instrument by a favorable vote of two-thirds of the elected members of each house
24 of the legislature, provide for the termination of deposits to the Leverage Fund. Any
25 such termination shall be made in such a manner so as to not impair the obligation,
26 validity, or security of any bonds issued under the authority of this Section. Upon
27 termination, the amount of any settlement revenues over and above the amount
28 pledged for security of any bonds issued pursuant to the authority granted in this

1 Section, shall be deposited in and credited as provided in Article VII, Sections 10.8
2 and 10.9 of this Constitution.

3 §10.11. Artificial Reef Development Fund

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

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

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

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

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

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

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

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

13 §10.12. Farmers and fishermen assistance programs; Agricultural and Seafood
14 Products Support Fund

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

17 (B)(1) The Agricultural and Seafood Products Support Fund is hereby
18 established in the state treasury as a special fund, hereinafter referred to as the
19 "fund". The source of monies in this fund shall be any monies received by the state
20 from the licensing of trademarks or labels for use in promoting Louisiana
21 agricultural and seafood products; grants, gifts, and donations received by the state
22 for the purposes of this Section; any other revenues as may be provided by law; and
23 other monies which may be appropriated by the legislature to the fund. After
24 compliance with the requirements of Article VII, Section 9(B) of this constitution
25 relative to the Bond Security and Redemption Fund, and prior to monies being
26 placed in the state general fund, an amount equal to that deposited into the state
27 treasury from the foregoing sources shall be deposited in and credited to the fund.
28 Monies in the fund shall be subject to appropriation in accordance with Paragraph
29 (2) of this ~~Section~~ Subparagraph. All unexpended and unencumbered monies

1 remaining in the fund at the end of the fiscal year shall remain in the fund. The
2 monies in the fund shall be invested by the state treasurer in the same manner as
3 monies in the state general fund.

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

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

10 §10.13. Hospital stabilization formula and assessment; Hospital Stabilization Fund

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 (C) Hospital Stabilization Fund. There is hereby established as a special
22 fund in the state treasury the Hospital Stabilization Fund, hereafter referred to as "the
23 fund". After compliance with the requirements of Article VII, Section 9(B) of this
24 constitution relative to the Bond Security and Redemption Fund, the treasurer shall
25 deposit all proceeds from the assessment collected pursuant to the Hospital
26 Stabilization Formula provided for in this Section. The monies in the fund shall be
27 invested in the same manner as monies in the state general fund, and all interest
28 earned on the investment of the fund shall be deposited in and credited to the fund.
29 Appropriations from the fund shall be restricted to funding the reimbursement

1 enhancements established in the Hospital Stabilization Formula adopted by the
2 legislature for the fiscal year in which the assessment is collected.

3 §10.14. Louisiana Medical Assistance Trust Fund

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

16 (B) The treasurer is hereby authorized to establish a separate account within
17 the fund for each health care provider group in which fees are collected according
18 to law. Monies collected from each provider group, and the interest earned on those
19 monies, shall be deposited into the account created for that provider group. Any
20 monies deposited into the fund from sources not required by law, and the interest
21 earned on those monies, shall be deposited into a separate account within the fund,
22 hereafter referred to as "the general account".

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

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

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

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

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

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

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

26 §10.15. Revenue Stabilization Trust Fund

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

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

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

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

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

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

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

18 (2)(a) In any fiscal year in which the balance of the fund at the beginning of
19 the year is in excess of five billion dollars, hereinafter referred to as the minimum
20 fund balance, the legislature may appropriate an amount not to exceed ten percent
21 of the fund balance, hereinafter referred to as the allowable percentage, for the
22 following:

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

24 (ii) Transportation infrastructure.

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

28 (3) In order to ensure the money in the fund is available for appropriation in
29 an emergency, the legislature may authorize an appropriation from the fund at any

1 time for any purpose, only after the consent of two-thirds of the elected members of
2 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 §10.16. Dedications of Mineral Revenues

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

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

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

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

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

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

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

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

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

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

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

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

3 (12) To the Budget Stabilization Fund as provided in Article VII, Section
4 10.3 of this constitution and as provided by law.

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

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

12 (1) Thirty percent shall be appropriated to the Louisiana State Employees'
13 Retirement System and the Teachers' Retirement System of Louisiana for application
14 to the balance of the unfunded accrued liability of such systems existing as of June
15 30, 1988, in proportion to the balance of such unfunded accrued liability of each such
16 system, until such unfunded accrued liability has been eliminated. Any such
17 payments to the public retirement systems shall not be used, directly or indirectly,
18 to fund cost-of-living increases for such systems.

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

21 (C) Mineral revenues in excess of the base which would otherwise be
22 deposited into the Budget Stabilization Fund under Subparagraph (A)(2) of Section
23 10.3 of this constitution, but are prohibited from being deposited into the fund under
24 Subparagraph (C)(4) of Section 10.3 of this constitution, shall be distributed as
25 follows:

26 (1) Thirty percent shall be appropriated to the Louisiana State Employees'
27 Retirement System and the Teachers' Retirement System of Louisiana for application
28 to the balance of the unfunded accrued liability of such systems existing as of June
29 30, 1988, in proportion to the balance of such unfunded accrued liability of each such

1 system, until such unfunded accrued liability has been eliminated. Any such
2 payments to the public retirement systems shall not be used, directly or indirectly,
3 to fund cost-of-living increases for such systems.

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

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

8 (1) Revenues designated as nonrecurring, pursuant to Article VII, Section
9 10(B) of this constitution.

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

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

13 §10.17. State Cybersecurity and Information Technology Infrastructure Fund

14 Section 10.17. State Cybersecurity and Information Technology
15 Infrastructure Fund.

16 (A) The State Cybersecurity and Information Technology Infrastructure
17 Fund is hereby established in the state treasury as a special fund, hereinafter referred
18 to as the "fund". After allocation of money to the Bond Redemption and Security
19 Fund as provided in Article VII, Section 9(B) of this constitution, the treasurer shall
20 deposit in and credit to the fund the revenues as provided for in Paragraph (B) of this
21 Section.

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

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

28 (3) At the end of the fiscal year, all unexpended and unencumbered monies
29 in the fund shall remain in the fund. Monies deposited into the fund shall be

1 permanently credited to the fund and shall be invested by the treasurer in a manner
2 provided for by law and any earnings realized on investment of money in the fund
3 shall be deposited in and credited to the fund.

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

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

11 (2) The legislature may authorize the creation and establishment of a
12 committee to assist in the consideration of priorities for the funding of cybersecurity
13 and information technology infrastructure projects through appropriations of the
14 fund with the consent of a majority of the elected members of each house of the
15 legislature.

16 §11. Budgets

17 Section 11.(A) Budget Estimate. The governor shall submit to the
18 legislature, at the time and in the form fixed by law, a budget estimate for the next
19 fiscal year setting forth all proposed state expenditures. This budget shall include
20 a recommendation for appropriations from the state general fund and from dedicated
21 funds, except funds allocated by Article VII, Section 4, Paragraphs (D) and (E),
22 which shall not exceed the official forecast of the Revenue Estimating Conference
23 and the expenditure limit for the fiscal year. The recommendation shall also comply
24 with the provisions of Article VII, Section 10(D). This budget shall include a
25 recommendation for funding of state salary supplements for full-time law
26 enforcement and fire protection officers of the state, as provided in Article VII,
27 Section 10(D)(3) of this constitution.

28 (B) Operating Budget. The governor shall cause to be submitted a general
29 appropriation bill for proposed ordinary operating expenditures which shall be in

1 conformity with the recommendations for appropriations contained in the budget
2 estimate. The governor may cause to be submitted a bill or bills to raise additional
3 revenues with proposals for the use of these revenues.

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

23 §12. Reports and Records

24 Section 12. Reports and records of the collection, expenditure, investment,
25 and use of state money and those relating to state obligations shall be matters of
26 public record, except returns of taxpayers and matters pertaining to those taxpayer
27 returns.

1 §13. Investment of State Funds

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

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

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

11 (B) Authorized Uses. Nothing in this Section shall prevent (1) the use of
12 public funds for programs of social welfare for the aid and support of the needy; (2)
13 contributions of public funds to pension and insurance programs for the benefit of
14 public employees; (3) the pledge of public funds, credit, property, or things of value
15 for public purposes with respect to the issuance of bonds or other evidences of
16 indebtedness to meet public obligations as provided by law; (4) the return of
17 property, including mineral rights, to a former owner from whom the property had
18 previously been expropriated, or purchased under threat of expropriation, when the
19 legislature by law declares that the public and necessary purpose which originally
20 supported the expropriation has ceased to exist and orders the return of the property
21 to the former owner under such terms and conditions as specified by the legislature;
22 (5) acquisition of stock by any institution of higher education in exchange for any
23 intellectual property; (6) the donation of abandoned or blighted housing property by
24 the governing authority of a municipality or a parish to a nonprofit organization
25 which is recognized by the Internal Revenue Service as a 501(c)(3) or 501(c)(4)
26 nonprofit organization and which agrees to renovate and maintain such property until
27 conveyance of the property by such organization; (7) the deduction of any tax,
28 interest, penalty, or other charges forming the basis of tax liens on blighted property
29 so that they may be subordinated and waived in favor of any purchaser who is not

1 a member of the immediate family of the blighted property owner or which is not
2 any entity in which the owner has a substantial economic interest, but only in
3 connection with a property renovation plan approved by an administrative hearing
4 officer appointed by the parish or municipal government where the property is
5 located; (8) the deduction of past due taxes, interest, and penalties in favor of an
6 owner of a blighted property, but only when the owner sells the property at less than
7 the appraised value to facilitate the blighted property renovation plan approved by
8 the parish or municipal government and only after the renovation is completed such
9 deduction being canceled, null and void, and to no effect in the event ownership of
10 the property in the future reverts back to the owner or any member of his immediate
11 family; (9) the donation by the state of asphalt which has been removed from state
12 roads and highways to the governing authority of the parish or municipality where
13 the asphalt was removed, or if not needed by such governing authority, then to any
14 other parish or municipal governing authority, but only pursuant to a cooperative
15 endeavor agreement between the state and the governing authority receiving the
16 donated property; (10) the investment in stocks of a portion of the Rockefeller
17 Wildlife Refuge Trust and Protection Fund, created under the provisions of ~~R.S.~~
18 56:797 law, and the Russell Sage or Marsh Island Refuge Fund, created under the
19 provisions of ~~R.S. 56:798~~ law, such portion not to exceed thirty-five percent of each
20 fund; (11) the investment in stocks of a portion of the state-funded permanently
21 endowed funds of a public or private college or university, not to exceed thirty-five
22 percent of the public funds endowed; (12) the investment in equities of a portion of
23 the Medicaid Trust Fund for the Elderly created under the provisions of R.S. 46:2691
24 et seq., such portion not to exceed thirty-five percent of the fund; (13) the investment
25 of public funds to capitalize a state infrastructure bank and the loan, pledge, or
26 guarantee of public funds by a state infrastructure bank solely for transportation
27 projects; or (14) pursuant to a written agreement, the donation of the use of public
28 equipment and personnel by a political subdivision upon request to another political

1 subdivision for an activity or function the requesting political subdivision is
2 authorized to exercise.

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

7 (D) Prior Obligations. Funds, credit, property, or things of value of the state
8 or of a political subdivision heretofore loaned, pledged, dedicated, or granted by
9 prior state law or authorized to be loaned, pledged, dedicated, or granted by the prior
10 laws and constitution of this state shall so remain for the full term as provided by the
11 prior laws and constitution and for the full term as provided by any contract, unless
12 the authorization is revoked by law enacted by two-thirds of the elected members of
13 each house of the legislature prior to the vesting of any contractual rights pursuant
14 to this Section.

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

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

19 Section 15. The legislature shall have no power to release, extinguish, or
20 authorize the releasing or extinguishing of any indebtedness, liability, or obligation
21 of a corporation or individual to the state, a parish, or a municipality, except as
22 provided by law. ~~However, the~~ The legislature, by law, may establish a system
23 under which claims by the state or a political subdivision may be compromised, and
24 may provide for the release of heirs to confiscated property from taxes due thereon
25 at the date of its reversion to them.

26 §16. Taxes; Prescription

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

1 §17. Legislation to Obtain Federal Aid

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

6 PART II. PROPERTY TAXATION

7 §18. Ad Valorem Taxes

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

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

Classifications	Percentages
17 1. Land	10%
18 2. Improvements for residential purposes	10%
19 3. Electric cooperative properties, excluding land	15%
20 4. Public service properties, excluding land	25%
21 5. Other property	15%

22 shall be established by law, which shall include provisions to ensure the equitable
23 assessment of properties statewide, and shall be enacted by a specific legislative
24 instrument which receives a favorable vote of two-thirds of the elected members of
25 each house of the legislature. Notwithstanding any provision to the contrary,
26 property classified as public service property, excluding land, shall be assessed at
27 twenty-five percent of its fair market value. The legislature may enact laws defining
28 electric cooperative properties and public service properties.

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

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

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

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

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

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

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

20 (ii) For purposes of calculating the ad valorem taxes on the property in the
21 second levy following reappraisal, the collector shall increase the portion of the
22 assessed value of the property used to calculate ad valorem taxes by adding an
23 amount which is equal to one-half of the amount of the increase in the property's
24 assessed value as a result of the reappraisal to the base amount. This resulting
25 amount shall constitute the property's taxable value and shall be used solely for
26 purposes of calculating ad valorem taxes for that taxable year.

27 (iii) For purposes of calculating the ad valorem taxes on the property in the
28 third levy following reappraisal, the collector shall increase the portion of the
29 assessed value of the property used to calculate ad valorem taxes by adding an

1 amount which is equal to three-quarters of the amount of the increase in the
2 property's assessed value as a result of the reappraisal to the base amount. This
3 resulting amount shall constitute the property's taxable value and shall be used solely
4 for purposes of calculating ad valorem taxes for that taxable year.

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

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

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

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

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

29 (G) Special Assessment Level.

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

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

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

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

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

18 (ii) Any person or persons shall be prohibited from receiving the special
19 assessment as provided in this Section if such person's or persons' adjusted gross
20 income, as reported in the federal tax return for the year prior to the application for
21 the special assessment, exceeds one hundred thousand dollars. For persons applying
22 for the special assessment whose filing status is married filing separately, the
23 adjusted gross income for purposes of this Section shall be determined by combining
24 the adjusted gross income on both federal tax returns. Beginning for the tax year
25 2026, and for each tax year thereafter, the one hundred thousand dollar limit shall be
26 adjusted annually by the Consumer Price Index as reported by the United States
27 Government.

28 (iii) An eligible owner or the owner's spouse or other legally qualified
29 representative shall apply for the special assessment level by filing a signed

1 application establishing that the owner qualifies for the special assessment level with
2 the assessor of the parish or, in the parish of Orleans, the assessor of the district
3 where the property is located.

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

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

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

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

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

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

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

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

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

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

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

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

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

1 special assessment level, and the land and buildings shall be assessed in that year at
2 the percentage of fair market value set forth in this constitution. In addition, the
3 owner shall also maintain the homestead exemption set forth in Article VII, Section
4 20(A)(10) to qualify for the special assessment level in this Subsubparagraph.

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

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

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

27 (b) If a trust would have been eligible for the special assessment level
28 pursuant to this Subparagraph prior to the most recent reappraisal, the total

1 assessment of the property held in trust shall be the assessed value on the last
2 appraisal before the reappraisal.

3 §19. State Property Taxation; Rate Limitation

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

6 §20. Homestead Exemption

7 Section 20.(A) Homeowners.

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

22 (2) The homestead exemption shall extend and apply fully to the surviving
23 spouse or a former spouse when the homestead is occupied by the surviving spouse
24 or a former spouse and title to it is in the name of (a) the surviving spouse as owner
25 of any interest or either or both of the former spouses, (b) the surviving spouse as
26 usufructuary, or (c) a testamentary trust established for the benefit of the surviving
27 spouse and the descendants of the deceased spouse or surviving spouse, but not to
28 more than one homestead owned by either the husband or wife, or both.

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

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

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

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

23 (7) No homestead exemption shall be granted on bond for deed property.
24 However, any homestead exemption granted prior to June 20, 2003 on any property
25 occupied upon the effective date of this Paragraph* by a buyer under a bond for deed
26 contract shall remain valid as long as the circumstances giving rise to the exemption
27 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)~~ 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)~~ levying additional or increased millages as provided by law or ~~(2)~~ placing
 28 additional property on the tax rolls. Increases in the millage rate in excess of the
 29 rates established as provided by Paragraph ~~(B)~~ above (A) of this Section but not in

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

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

12 §24. Tax Assessors

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

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

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

21 §25. Tax Sales

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

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

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

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

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

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

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

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

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

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

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

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

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

5 PART III. REVENUE SHARING

6 §26. Revenue Sharing Fund

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

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

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

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

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

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

PART IV. TRANSPORTATION

§27. Transportation Trust Fund

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

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

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

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

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

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

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

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

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

1 PART V. UNCLAIMED PROPERTY

2 §28. Louisiana Unclaimed Property Permanent Trust Fund

3 Section 28.(A) Creation of Fund. (1) Effective July 1, 2021, there shall be
4 established in the state treasury as a special permanent trust fund, the Louisiana
5 Unclaimed Property Permanent Trust Fund, referred to in this Section as the "UCP
6 Permanent Trust Fund". No appropriation shall be made from the UCP Permanent
7 Trust Fund.

8 (2) The purpose of the UCP Permanent Trust Fund is to ensure a source of
9 payment for claims made by owners of unclaimed property. After allocation of
10 money to the Bond Security and Redemption Fund as provided in Article VII,
11 Section 9(B) of this ~~Constitution~~ constitution, after the payment of all administrative
12 fees, costs, and expenses as provided by law, and after the deposit of monies into the
13 Unclaimed Property Leverage Fund, the treasurer shall annually deposit in and credit
14 to the UCP Permanent Trust Fund the net amount of all monies received as a result
15 of the Uniform Unclaimed Property Act of 1997 or its successor.

16 (3) Realized capital gains, dividend income, and interest income, earned on
17 the investments in the UCP Permanent Trust Fund, net of trust fund investment and
18 administrative expenses, shall be deposited into the state general fund.

19 (4) All monies shall be credited to the fund as provided in Subparagraph (2)
20 of this Paragraph until the balance in the UCP Permanent Trust Fund equals the
21 amount of the state's potential liability to unclaimed property claimants as reported
22 in the previous fiscal year pursuant to Paragraph (C) of this Section. All money
23 received above the state's potential liability to unclaimed property claimants as
24 reported by the state treasurer shall be deposited into the state general fund.

25 (B) Investment and Administration. The money credited to the UCP
26 Permanent Trust Fund pursuant to Paragraph (A) of this Section shall be permanently
27 credited to the UCP Permanent Trust Fund and shall be invested by the treasurer.
28 Notwithstanding any provision of this constitution to the contrary, a portion of
29 money in the UCP Permanent Trust Fund, not to exceed fifty percent of the money

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)

DIGEST

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

HB 417 Engrossed

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, 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 the 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.

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 requires 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 mandatory deductibility of federal income taxes paid when computing individual, estates and trusts, and corporate income tax liability.

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) 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.

Present constitution provides the percentage of fair market value of property classified as public service property shall be 25%. Proposed constitutional amendment retains present constitution.

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.

Proposed constitutional amendment adds a limitation that requires any newly enacted sales and use tax exemption or exclusion shall be applied uniformly to state and local taxes.

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

(Amends Const. Art. VII)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Add provisions that require any newly enacted sales and use tax exemption or exclusion to be applied uniformly to state and local sales and use taxes.
2. Add provisions retaining the current status of the fair market value for property classified as public service properties.