



1 of such classes; to provide with respect to the Louisiana Education Quality Trust  
2 Fund including subfunds thereof; to provide with respect to the Mineral Revenue  
3 Audit and Settlement Fund; to provide with respect to the Oilfield Site Restoration  
4 Fund; to provide with respect to the Oil Spill Contingency Fund; to provide with  
5 respect to the Millennium Trust and any funds within it; to provide with respect to  
6 the Louisiana Fund; to provide with respect to the Artificial Reef Development Fund;  
7 to provide with respect to the legislature's authority to take certain actions; to provide  
8 with respect to the Hospital Stabilization Formula and Fund; to provide with respect  
9 to the Louisiana Medical Assistance Trust Fund and any accounts therein; to provide  
10 with respect to the Revenue Stabilization Trust Fund; to provide with respect to the  
11 Conservation Fund; to provide with respect to public access to certain revenue and  
12 expenditure information; to provide with respect to investment of certain monies; to  
13 provide with respect to things of value; to provide with respect to cooperative  
14 endeavors; to provide with respect to prior obligations regarding things of value; to  
15 provide with respect to release or extinguishment of certain obligations; to provide  
16 with respect to taxes; to require transfer of certain assets to the Teachers' Retirement  
17 System of Louisiana; to provide with respect to the authority of the Teachers'  
18 Retirement System of Louisiana regarding calculation of system liabilities and  
19 required funding; to provide with respect to use by certain political subdivisions of  
20 certain revenues to provide a salary increase for certain personnel; to provide with  
21 respect to valuation of property for tax purposes; to provide with respect to treatment  
22 of certain property, income, or things of value for tax purposes; to provide with  
23 respect to tax liability; to provide with respect to reduction or elimination of tax  
24 liability in certain circumstances; to provide with respect to certain payments to  
25 political subdivisions; to provide with respect to invalidation or impairment of  
26 certain taxes or obligations; to provide with respect to millage rates; to provide with  
27 respect to tax assessors; to provide with respect to tax sales; to provide with respect  
28 to liens and privileges; to provide with respect to the Revenue Sharing Fund; to  
29 provide with respect to the Louisiana Unclaimed Property Permanent Trust Fund; to

1 make technical and conforming changes; to provide for submission of the proposed  
2 amendment to the electors; and to provide for related matters.

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

7 ARTICLE VII. REVENUE AND FINANCE

8 PART I. GENERAL PROVISIONS

9 §1. Power to Tax; Public Purpose

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

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

18 §2. Power to Tax; Limitation

19 Section 2. The levy of a new ~~tax, tax;~~ tax; an increase in an existing ~~tax, tax; the~~  
20 enactment of a tax exemption, exclusion, deduction, credit, or rebate or an increase  
21 in the amount of a tax deduction, credit, or rebate; or a repeal of an existing tax  
22 exemption shall require the enactment of a law by two-thirds of the elected members  
23 of each house of the legislature.

24 ~~§2.1.~~ §3. Fees and Civil Fines; Limitation

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

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

4 ~~§2.2. Power to Tax, Sales and Use~~ §4. Tax; Limitation

5 ~~Section 2.2. Section 4.(A) Effective January 1, 2003, the sales and use tax~~  
6 ~~rate imposed by the state of Louisiana or by a political subdivision whose boundaries~~  
7 ~~are coterminous with those of the state shall not exceed two percent of the price of~~  
8 ~~the following items:~~

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

11 (2) ~~Natural gas, electricity, and water sold directly to the consumer for~~  
12 ~~residential use.~~

13 (3) ~~Prescription drugs.~~

14 (B) ~~Effective July 1, 2003, the~~ The sales and use tax imposed by the state of  
15 Louisiana or by a political subdivision whose boundaries are coterminous with those  
16 of the state shall not apply to sales or purchases of the following items:

17 (1) Food for home consumption, as ~~defined~~ provided in R.S. 47:305(D)(1)(n)  
18 ~~through (r) on January 1, 2003~~ R.S. 47:305(C)(1) on January 1, 2025.

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

21 (3) ~~Prescription drugs.~~

22 (C) (b) As used in this Section, Subparagraph, the term "sold directly to the  
23 consumer for residential use" includes the furnishing of natural gas, electricity, or  
24 water to single private residences, including the separate private units of apartment  
25 houses and other multiple dwellings, actually used for residential purposes, which  
26 residences are separately metered or measured, regardless of the fact that a person  
27 other than the resident is contractually bound to the supplier for the charges, actually  
28 pays the charges, or is billed for the charges. The use of electricity, natural gas, or  
29 water in hotel or motel units does not constitute residential use.

1           B. Beginning July 1, 2025, the sales and use tax imposed by the state of  
2           Louisiana or by a political subdivision shall not apply to sales or purchases of  
3           prescription drugs.

4           C. No ad valorem tax shall be imposed by the state of Louisiana or by a  
5           political subdivision on prescription drugs.

6           D. Notwithstanding the provisions of Article VI, Section 29 of this  
7           constitution, the sales and use tax levied by a political subdivision shall apply to any  
8           sale at retail, use, lease, rental, consumption, or storage of goods, services, and other  
9           products as required by law.

10       ~~§2.3. §5. Power to Tax; Limitation, Sale or Transfer of Immovable Property~~

11           Limitations

12       ~~Section 2.3:~~ Section 5.(A) A political subdivision shall not levy a severance  
13       tax, income tax, inheritance tax, or tax on motor fuel.

14       (B) Effective January 1, 2026, no new sales and use tax exemption,  
15       exclusion, credit, rebate, or refund shall be enacted unless the proposed exemption,  
16       exclusion, credit, rebate, or refund is applicable to both sales and use taxes levied by  
17       the state and those levied by political subdivisions.

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

1        ~~§3.~~ §6. Collection of Taxes

2                ~~Section 3.~~ Section 6.(A) The legislature shall prohibit the issuance of process  
3        to restrain the collection of any tax. It shall provide a complete and adequate remedy  
4        for the 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 or a central collection commission. ~~On or before July 1, 1992, all~~  
8        ~~political subdivisions within each parish which levy a sales and use tax shall agree~~  
9        ~~between and among themselves to provide for the collection of such taxes by a single~~  
10       ~~collector or a central collection commission.~~ The legislature, by general law, shall  
11       provide for the collection of sales and use taxes, levied by political subdivisions, by  
12       a central collection commission in those parishes where a single collector or a central  
13       collection commission has not 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.~~  
28       Taxes collected on behalf of a taxing authority shall be held in trust and shall not be  
29       commingled with state monies nor be considered state money or state funds for

1 purposes of Section 13 of this Article. The avails of taxes collected shall be the  
2 property of the taxing authority which imposed the tax and shall be remitted to such  
3 taxing authority within thirty days of receipt.

4 ~~§4.~~ §7. ~~Income Tax; Severance Tax; Political Subdivisions Tax~~

5 ~~Section 4.(A) Income Tax.~~ Section 7. Equal and uniform taxes may be  
6 levied on net incomes, and these taxes may be graduated according to the amount of  
7 net income: incomes. However, the maximum state individual rate shall not exceed  
8 four and three-quarters percent for tax years beginning after December 31, 2021.  
9 Federal income taxes paid may be allowed as a deductible item in computing state  
10 income taxes for the same period as provided by law. For tax years beginning after  
11 December 31, 2025, a person sixty-five years of age or older shall be entitled to an  
12 additional standard deduction equal to the amount applicable for a single individual  
13 provided in R.S. 47:294.

14 §8. ~~Severance Tax~~

15 ~~(B) Severance Tax.~~ (1) Section 8.(A) Taxes may be levied by the state on  
16 natural resources severed from the soil or water, to be paid proportionately by the  
17 owners thereof at the time of severance. ~~Natural resources may be classified for the~~  
18 ~~purpose of taxation. Such taxes may be predicated upon either the quantity or value~~  
19 ~~of the products at the time and place of severance. No further or additional tax or~~  
20 ~~license shall be levied or imposed upon oil, gas, or sulphur leases or rights. No~~  
21 ~~additional value shall be added to the assessment of land by reason of the presence~~  
22 ~~of oil, gas, or sulphur therein or their production therefrom. However, sulphur in~~  
23 ~~place shall be assessed for ad valorem taxation to the person, firm, or corporation~~  
24 ~~having the right to mine or produce the same in the parish where located, at no more~~  
25 ~~than twice the total assessed value of the physical property subject to taxation,~~  
26 ~~excluding the assessed value of sulphur above ground, as is used in sulphur~~  
27 ~~operations in such parish. Likewise, the severance tax shall be the only tax on~~  
28 ~~timber; however, standing timber shall be liable equally with the land on which it~~  
29 ~~stands for ad valorem taxes levied on the land.~~

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

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

7           ~~(D)(1) Severance Tax Allocation. (B) One-third of the sulphur severance~~  
8           ~~tax, but not to exceed one hundred thousand dollars; one-third of the lignite~~  
9           ~~severance tax, but not to exceed one hundred thousand dollars; one-fifth of the~~  
10          ~~severance tax on all natural resources, other than sulphur, lignite, or timber, but not~~  
11          ~~to exceed five hundred thousand dollars; and three-fourths of the timber severance~~  
12          ~~tax shall be remitted to the governing authority of the parish in which severance or~~  
13          ~~production occurs. The legislature may, by law, do any of the following:~~

14           ~~(1) Increase or decrease the proportion of tax avails to be remitted for any~~  
15           ~~of the severance taxes pursuant to the provisions of this Paragraph.~~

16           ~~(2) Establish an annual maximum that may be remitted pursuant to the~~  
17           ~~provisions of this Paragraph for any of the severance taxes.~~

18           ~~(2) Effective July 1, 1999, one-third of the sulphur severance tax, but not to~~  
19           ~~exceed one hundred thousand dollars; one-third of the lignite severance tax, but not~~  
20           ~~to exceed one hundred thousand dollars; one-fifth of the severance tax on all natural~~  
21           ~~resources, other than sulphur, lignite, or timber, but not to exceed seven hundred fifty~~  
22           ~~thousand dollars; and three-fourths of the timber severance tax shall be remitted to~~  
23           ~~the governing authority of the parish in which severance or production occurs.~~

24           ~~(3) Effective July 1, 2007, one-fifth of the severance tax on all natural~~  
25           ~~resources other than sulphur, lignite, or timber shall be remitted to the governing~~  
26           ~~authority of the parish in which severance or production occurs. The initial~~  
27           ~~maximum amount remitted to the parish in which severance or production occurs~~  
28           ~~shall not exceed eight hundred fifty thousand dollars. The maximum amount~~  
29           ~~remitted shall be increased each July first, beginning in 2008, by an amount equal to~~



1 the average annual increase in the Consumer Price Index for all urban consumers, as  
2 published by the United States Department of Labor, for the previous calendar year,  
3 as calculated and adopted by the Revenue Estimating Conference.

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

18 (a) ~~Remittance to parishes:~~

19 (i) ~~In the first fiscal year of implementation of this Subparagraph, the~~  
20 ~~maximum amount of severance tax on all natural resources other than sulphur,~~  
21 ~~lignite, or timber which is remitted to the parish in which severance or production~~  
22 ~~occurs shall not exceed one million eight hundred fifty thousand dollars. For all~~  
23 ~~subsequent fiscal years, the maximum amount remitted to a parish shall not exceed~~  
24 ~~two million eight hundred fifty thousand dollars.~~

25 (ii) ~~On July first of each year the maximum amount remitted to the parish in~~  
26 ~~which severance or production occurs, as provided in Item (i) of this~~  
27 ~~Subsubparagraph, shall be increased by an amount equal to the average annual~~  
28 ~~increase in the Consumer Price Index for all urban consumers for the previous~~

1 calendar year, as published by the United States Department of Labor, which amount  
2 shall be as calculated and adopted by the Revenue Estimating Conference.

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

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

18 ~~§4.1. Cigarette Tax Rates~~

19 ~~Section 4.1. To ensure revenue for the dedication provided for in Article VII,~~  
20 ~~Section 10.8(C)(2)(c) of this constitution, the rate of the tax levied pursuant to R.S.~~  
21 ~~47:841(B)(3) shall not be less than the rate set forth in that provision as it exists on~~  
22 ~~January 1, 2012.~~

23 ~~§5. §9. Motor Vehicle License Tax~~

24 ~~Section 5. Section 9. The legislature shall impose an annual license tax of not~~  
25 ~~more than one dollar per each one thousand dollars of actual value on automobiles~~  
26 ~~for private use based on the actual value of the vehicle, as provided by law.~~  
27 ~~However, the annual license tax shall not be less than ten dollars per automobile for~~  
28 ~~private use. On other motor vehicles, the legislature shall impose an annual license~~  
29 ~~tax based upon carrying capacity, horsepower, value, weight, or any of these. After~~

1       ~~satisfying the requirements of Section 9(B) of this Article, and after satisfying~~  
 2       ~~pledges respecting that portion of the revenues attributable to the tax rates in effect~~  
 3       ~~at the time of such pledges for the payment of obligations for bonds or other~~  
 4       ~~evidences of indebtedness and upon the creation of a Transportation Trust Fund~~  
 5       ~~within this constitution, the revenues from the license tax on automobiles for private~~  
 6       ~~use shall be deposited therein. In the event no such trust fund is established in this~~  
 7       ~~constitution, the revenues shall be used exclusively and solely as provided by law for~~  
 8       ~~the construction, maintenance, and safety of the federal and state system of roads and~~  
 9       ~~bridges, for the parish and municipal road systems, for the operations of the office~~  
 10       ~~of state police, Department of Public Safety and Corrections or its successor, and for~~  
 11       ~~the payment of any obligation for bonds issued or indebtedness incurred in~~  
 12       ~~connection with any of the foregoing, which bonds may be issued as revenue bonds~~  
 13       ~~under Article VII, Section 6(C) of this constitution, subject to existing pledges only~~  
 14       ~~as to that portion of the tax collections attributable to the rates in effect at the time~~  
 15       ~~of such pledges for the payment of any obligations for bonds or other evidences of~~  
 16       ~~indebtedness outstanding on the effective date of this Section. No parish or~~  
 17       ~~municipality may impose a license fee on motor vehicles.~~

18       ~~§6.~~ §10. State Debt; Full Faith and Credit Obligations

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

28               (B) Capital Improvements. (1) If the purpose is to make capital  
 29       improvements, the nature and location and, if more than one project, the amount

1 allocated to each and the order of priority shall be stated in the comprehensive  
2 capital budget which the legislature adopts.

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

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

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

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

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

22 (2) The limitation established pursuant to this Paragraph may be changed by  
23 passage of a specific legislative instrument by a favorable vote of two-thirds of the  
24 elected members of each house of the legislature. The limitation may be exceeded  
25 by passage of a specific legislative instrument for a project or related projects by a  
26 favorable vote of two-thirds of the elected members of each house of the legislature,  
27 provided that any debt service payment required for ~~such~~ the projects shall, once  
28 bonds have been issued in connection therewith, not be impaired in any future year  
29 by application of this limitation. The limitation established pursuant to this

1 Subparagraph shall be deemed to be increased as necessary to accommodate any  
 2 projects approved to exceed this limit if approved as provided in this Paragraph, but  
 3 only as long as there are bonds outstanding for the projects.

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

8 ~~§7.~~ §11. State Debt; Interim Emergency ~~Board~~ Board; Composition; Powers

9 ~~Section 7.~~ Section 11.(A) Composition. The Interim Emergency Board is  
 10 created. It shall be composed of the governor, lieutenant governor, state treasurer,  
 11 presiding officer of each house of the legislature, chairman of the Senate Finance  
 12 Committee, and chairman of the House Appropriations Committee, or their  
 13 designees.

14 (B) Powers. (1) Between sessions of the legislature, when the board by  
 15 majority vote determines that an emergency or impending flood emergency exists,  
 16 it may appropriate from the state general fund or borrow on the full faith and credit  
 17 of the state an amount to meet the emergency. The appropriation may be made or  
 18 the indebtedness incurred only for a purpose for which the legislature may  
 19 appropriate funds and then only after the board obtains, as provided by law, the  
 20 written consent of two-thirds of the elected members of each house of the legislature.

21 (2) For the purposes of this Paragraph, an emergency is an event or  
 22 occurrence not reasonably anticipated by the legislature and an impending flood  
 23 emergency shall be an anticipated situation which endangers an existing flood  
 24 protection structure. The appropriation or indebtedness incurred for an impending  
 25 flood emergency shall not exceed two hundred fifty thousand dollars for any one  
 26 event or occurrence. For an impending emergency to qualify for funding it must be  
 27 determined as such by the United States Army Corp of Engineers or the United  
 28 States Coast Guard. Total funding for ~~such~~ impending emergencies shall not exceed  
 29 twenty-five percent of the funds annually available to the Interim Emergency Board.

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

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

8 ~~§8: §12.~~ State Bond Commission

9 ~~Section 8: Section 12.~~(A) Creation. The State Bond Commission is created.  
10 Its membership and authority shall be determined by law.

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

15 (C) Contesting State Bonds. Bonds, notes, certificates, or other evidences  
16 of indebtedness of the ~~state (hereafter~~ state, hereafter referred to as "~~bonds~~") "bonds",  
17 shall not be invalid because of any irregularity or defect in the proceedings or in the  
18 issuance and sale thereof and shall be incontestable in the hands of a bona fide  
19 purchaser or holder. The issuing agency, after authorizing the issuance of bonds by  
20 resolution, shall publish once in the official journal of the state, as provided by law,  
21 a notice of intention to issue the bonds. The notice shall include a description of the  
22 bonds and the security therefor. Within thirty days after the publication, any person  
23 in interest may contest the legality of the resolution, any provision of the bonds to  
24 be issued pursuant to it, the provisions securing the bonds, and the validity of all  
25 other provisions and proceedings relating to the authorization and issuance of the  
26 bonds. If no action or proceeding is instituted within the thirty days, no person may  
27 contest the validity of the bonds, the provisions of the resolution pursuant to which  
28 the bonds were issued, the security of the bonds, or the validity of any other  
29 provisions or proceedings relating to their authorization and issuance, and the bonds

1 shall be presumed conclusively to be legal. Thereafter no court shall have authority  
2 to inquire into such matters.

3 ~~§9.~~ §13. State Funds

4 ~~Section 9.~~ Section 13.(A) Deposit in State Treasury. All money received by  
5 the state or by any state board, agency, or commission shall be deposited  
6 immediately upon receipt in the state treasury, except ~~that~~ monies received:

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

10 (2) by trade or professional associations;

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

12 (4) by retirement system funds;

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

16 (6) by a state board, agency, or commission, but pledged by it in connection  
17 with the issuance of revenue bonds as provided in Paragraph (C) of Section ~~6~~ 10 of  
18 this Article, other than any surplus as may be defined in the law authorizing such  
19 revenue bonds.

20 (B) Bond Security and Redemption Fund. Subject to contractual obligations  
21 existing on the effective date of this constitution, all state money deposited in the  
22 state treasury shall be credited to a special fund designated as the Bond Security and  
23 Redemption Fund, except money received as the result of grants or donations or  
24 other forms of assistance when the terms and conditions thereof or of agreements  
25 pertaining thereto require otherwise. In each fiscal year an amount is allocated from  
26 the bond security and redemption fund sufficient to pay all obligations ~~which~~ that are  
27 secured by the full faith and credit of the state and ~~which~~ become due and payable  
28 within the current fiscal year, including principal, interest, premiums, sinking or



1 reserve fund, and other requirements. Thereafter, except as otherwise provided by  
2 law, money remaining in the fund shall be credited to the state general fund.

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

6 ~~§10. §14. Expenditure of State Funds Revenue~~

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

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

23 (C) ~~Expenditure Limit. and Government Growth Limits.~~ (1) Expenditure  
24 Limit. (a) The legislature shall provide for the determination of an expenditure limit  
25 for each fiscal year to be established during the first quarter of the calendar year for  
26 the next fiscal year. However, the expenditure limit for the 1991-1992 Fiscal Year  
27 shall be the actual appropriations from the state general fund and dedicated funds for  
28 that year except funds allocated by Article VII, Section 4, Paragraphs (D) and (E).  
29 For subsequent fiscal years, the limit shall not exceed the expenditure limit for the

1 current fiscal year plus an amount equal to that limit times a positive growth factor.

2 The growth factor is the average annual percentage rate of change of personal  
3 income for Louisiana as defined and reported by the United States Department of  
4 Commerce for the three calendar years prior to the fiscal year for which the limit is  
5 calculated.

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

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

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 (2) Government Growth Limit. (a) Beginning with a limit for the 2025-  
19 2026 fiscal year, there shall be a limit for each fiscal year above which appropriation  
20 of recurring revenue from the state general fund and dedicated funds can only be  
21 made for the purposes provided in this Subparagraph. Such limit shall be known as  
22 the Government Growth Limit and shall be established by the Revenue Estimating  
23 Conference no later than the first quarter of the calendar year for the next fiscal year.  
24 The legislature shall establish procedures by law for the calculation of such limit.

25 (b) Notwithstanding any provision of this Subparagraph, if the Government  
26 Growth Limit calculated for any fiscal year exceeds the expenditure limit calculated  
27 for the same fiscal year, the Government Growth Limit shall be set equal to the  
28 expenditure limit. If the legislature alters the expenditure limit in a fiscal year and  
29 the resulting limit is lower than the Government Growth Limit for that fiscal year,

1 the Government Growth Limit for that fiscal year shall automatically be lowered to  
2 equal the limit set by the legislature for the expenditure limit.

3 (c) Recurring revenue amounts recognized in the official forecast above the  
4 Government Growth Limit and below the expenditure limit may be appropriated  
5 only for nonrecurring expenses. For the purposes of this Item, the term  
6 "nonrecurring expense" means an expense that is not of a continuing or recurring  
7 character and that in the normal course of administration is not expected to be  
8 necessary in approximately the same amounts each year.

9 (d) The limit calculated pursuant to the provisions of this Subparagraph shall  
10 not apply to the appropriation of funds from the Budget Stabilization Fund  
11 incorporated into the official forecast for the current fiscal year.

12 (e) A Government Growth Limit may be changed by a favorable vote of  
13 two-thirds of the elected members of each house of the legislature if each of the  
14 growth factors for any of the three fiscal years immediately preceding the year to be  
15 changed was two and one-half percent or less. Any change in the Government  
16 Growth Limit authorized by this Subsubparagraph shall be approved by passage of  
17 a specific legislative instrument which clearly states the intent to change the limit.

18 (3) The provisions of this Paragraph shall not apply to or affect funds  
19 allocated by Article VII, Section 8, Paragraphs (B) and (C).

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

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

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

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

9 (ii) ~~For Fiscal Year 2015-2016 through Fiscal Year 2023-2024, the~~  
10 ~~legislature shall appropriate no less than ten percent of any money designated in the~~  
11 ~~official forecast as nonrecurring to the Louisiana State Employees' Retirement~~  
12 ~~System and the Teachers' Retirement System of Louisiana for application to the~~  
13 ~~balance of the unfunded accrued liability of such systems existing as of June 30,~~  
14 ~~1988, in proportion to the balance of such unfunded accrued liability of each such~~  
15 ~~system. Any such payments to the public retirement systems shall not be used,~~  
16 ~~directly or indirectly, to fund cost-of-living increases for such systems.~~

17 (iii) ~~For Fiscal Year 2024-2025 and each fiscal year thereafter, the~~ The  
18 legislature shall appropriate no less than twenty-five percent of any money  
19 designated in the official forecast as nonrecurring to the state retirement systems for  
20 application to their unfunded accrued liability. Money appropriated pursuant to this  
21 Item shall be applied by the receiving system to its outstanding positive amortization  
22 bases in the order in which they were created, from oldest to newest. The legislature  
23 may provide by law for a formula to distribute the nonrecurring money between  
24 those state retirement systems that have unfunded accrued liability. If the legislature  
25 has not provided by law for a distribution formula, nonrecurring money shall be  
26 appropriated pursuant to this Item to each system in the proportion that the system's  
27 total unfunded accrued liability bears to the total of all state system unfunded  
28 accrued liability, using the most recent system valuations adopted by the Public  
29 Retirement Systems' Actuarial Committee or its successor. Any payment to a state

1 retirement system made pursuant to the provisions of this Item shall not be used,  
2 directly or indirectly, to fund cost-of-living increases for such system.

3 (c) Providing funding for capital outlay projects in the comprehensive state  
4 capital budget.

5 (d) ~~Providing~~ Unless prohibited by the provisions of Article VII, Section 15  
6 of this constitution, providing for allocation or appropriation for deposit into the  
7 Budget Stabilization Fund established in Article VII, Section ~~10.3~~ 15 of this  
8 constitution.

9 (e) Providing for allocation or appropriation for deposit into the Coastal  
10 Protection and Restoration Fund established in Article VII, Section ~~10.2~~ 17 of this  
11 constitution.

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

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

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

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

27 (d) Neither the governor nor the legislature may reduce an appropriation  
28 made pursuant to this Subparagraph except that the governor may reduce such an  
29 appropriation using means provided in the Act containing the appropriation,

1 provided that two-thirds of the elected members of each house of the legislature  
2 consent to any such reduction in writing.

3 (E) Balanced Budget. Appropriations ~~by the legislature~~ from the state  
4 general fund and dedicated funds for any fiscal ~~year year~~, except funds allocated by  
5 Article VII, ~~Section 4, Paragraphs (D) and (E)~~ Section 8, Paragraphs (B) and (C),  
6 shall not exceed the official forecast in effect at the time the appropriations are made.  
7 Appropriations of recurring revenue from the state general fund and dedicated funds,  
8 shall comply with the provisions of Subparagraph (C)(2) of this Section.

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

19 (2)(a) Notwithstanding any other provision of this constitution to the  
20 contrary, adjustments to any constitutionally protected or mandated allocations or  
21 appropriations, and transfer of monies associated with such adjustments, are  
22 authorized when state general fund allocations or appropriations have been reduced  
23 in an aggregate amount equal to at least seven-tenths of one percent of the total of  
24 such allocations and appropriations for a fiscal year. Such adjustments may not  
25 exceed five percent of the total appropriation or allocation from a fund for the fiscal  
26 year. For purposes of this Subsubparagraph, reductions to expenditures required by  
27 Article VIII, Section 13(B) of this constitution shall not exceed one percent and ~~such~~  
28 ~~reductions~~ shall not be applicable to instructional activities included within the  
29 meaning of instruction pursuant to the Minimum Foundation Program formula.

1 Notwithstanding any other provisions of this constitution to the contrary, monies  
2 transferred as a result of such budget adjustments are deemed available for  
3 appropriation and expenditure in the year of the transfer from one fund to another,  
4 but in no event shall the aggregate amount of any transfers exceed the amount of the  
5 deficit.

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

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

28 (3) If within thirty days of the determination that appropriations will exceed  
29 the official forecast the necessary adjustments in appropriations are not made to

1 eliminate the projected deficit, the governor shall call a special session of the  
2 legislature for this purpose unless the legislature is in regular session. This special  
3 session shall commence as soon as possible as allowed by the provisions of this  
4 constitution, including but not limited to Article III, Section 2(B).

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

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

9 (b) The allocations provided for by Article VII, ~~Section 4(D) and (E)~~ Section  
10 8, Paragraphs (B) and (C) of this constitution.

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

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

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

17 ~~(f)~~ (e) Any monies not required to be deposited in the state treasury as  
18 provided in Article VII, Section ~~9~~ 13 of this constitution.

19 ~~(g)~~ (f) The Medicaid Trust Fund for the Elderly created under the provisions  
20 of R.S. 46:2691 et seq.

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

23 ~~(i)~~ (g) The Louisiana Unclaimed Property Permanent Trust Fund, as provided  
24 in Article VII, Section ~~28~~ 42 of this Constitution.

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

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



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

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

6 (1) The federal government.

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

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

10 (4) The provisions of this Paragraph shall not apply to or affect funds  
11 allocated by Article VII, ~~Section 4, Paragraphs (D) and (E)~~ Section 8, Paragraphs (B)  
12 and (C).

13 §15. Budget Stabilization Fund

14 Section 15.(A) There is hereby established in the state treasury a Budget  
15 Stabilization Fund, hereafter referred to in this Section as the "fund". After  
16 compliance with the provisions of Article VII, Section 13(B) of this constitution  
17 relative to the Bond Security and Redemption Fund, the treasurer shall make deposits  
18 into the fund as follows:

19 (1) All money available for appropriation from the state general fund and  
20 dedicated funds in excess of the expenditure limit, except funds allocated by Article  
21 VII, Section 8, Paragraphs (B) and (C) of this constitution.

22 (2)(a) Beginning with Fiscal Year 2025-2026, fifteen percent of the  
23 corporation income and franchise tax revenues received in each fiscal year as  
24 recognized by the Revenue Estimating Conference and fifteen percent of remaining  
25 mineral revenues received each fiscal year by the state as a result of the production  
26 of minerals, after allocations and deposits required by this constitution and law. If  
27 the total amount of deposits required pursuant to this Subparagraph cannot be  
28 deposited due to the prohibitions provided for in Subparagraph (C)(5) of this Section,  
29 then the remaining monies shall be deposited into the state general fund and

1 incorporated into the official forecast as nonrecurring revenues for use as provided  
2 in Article VII, Section 14(D)(2) of this constitution.

3 (b) Except as otherwise provided in this Subparagraph, for purposes of this  
4 Subparagraph, mineral revenues shall include severance taxes, royalty payments,  
5 bonus payments, and rentals. Mineral revenues shall not include:

6 (i) Revenues designated as nonrecurring, pursuant to Article VII, Section 14  
7 of this constitution.

8 (ii) Revenues received by the state as a result of grants or donations when  
9 the terms or conditions thereof require otherwise.

10 (iii) Revenues derived from any tax on the transportation of minerals.

11 (3) Twenty-five percent of any money designated in the official forecast as  
12 nonrecurring as provided in Article VII, Section 14(D)(2) of this constitution.

13 (4) Any money appropriated or transferred to the fund by the legislature.

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

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

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

24 (1) If the official forecast of recurring money for the next fiscal year is less  
25 than the official forecast of recurring money for the current fiscal year, the  
26 difference, not to exceed one-third of the fund shall be incorporated into the next  
27 year's official forecast only after the consent of two-thirds of the elected members  
28 of each house of the legislature is obtained. If the legislature is not in session, the  
29 two-thirds consent requirement shall be obtained by procedures provided by law.

1           (2) If a deficit for the current fiscal year is projected due to a decrease in the  
2           official forecast, an amount equal to one-third of the fund not to exceed the projected  
3           deficit may be appropriated after the consent of two-thirds of the elected members  
4           of each house of the legislature is obtained. If the legislature is not in session, the  
5           two-thirds consent requirement shall be obtained by procedures provided by law.

6           (3) If there is a federally declared disaster in the state, up to one-third of the  
7           fund, not to exceed the state costs associated with the disaster, may be appropriated  
8           after the consent of two-thirds of the elected members of each house of the  
9           legislature is obtained. If the legislature is not in session, the two-thirds consent  
10          requirement shall be obtained by procedures provided by law.

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

17          (5) No appropriation or deposit to the fund shall be made if such  
18          appropriation or deposit would cause the balance in the fund to exceed seven and  
19          one-half percent of total state revenue receipts for the previous fiscal year.

20          §16. Transportation Trust Fund

21          Section 16.(A) Creation of fund. There shall be established in the state  
22          treasury a special trust fund known as the Transportation Trust Fund ("the trust  
23          fund") in which shall be deposited the "excess revenues" as defined herein which are  
24          a portion of the avails received in each year from all taxes levied on gasoline and  
25          motor fuels and on special fuels (said avails referred to as the "revenues") as  
26          provided herein. After satisfying pledges respecting that portion of the revenues  
27          attributable to the tax rates in effect at the time of such pledges for the payment of  
28          obligations for bonds or other evidences of indebtedness on January 1, 1990, the  
29          treasurer shall allocate such portion of the revenues received in each year as

1       necessary to pay all principal, interest, premium, if any, and other obligations  
2       incident to the issuance, security, and payment in respect of bonds as authorized in  
3       Paragraph (C) of this Section. Thereafter, the portion of the revenues remaining shall  
4       be deposited in the Bond Security and Redemption Fund in the state treasury. After  
5       (1) the payment of any obligations for bonds or other evidences of indebtedness in  
6       existence on January 1, 1990, which are secured by revenues; (2) payments in  
7       respect of bonds authorized in Paragraph (C) of this Section; and (3) credit to the  
8       Bond Security and Redemption Fund, the treasurer shall deposit in and credit to the  
9       trust fund all of the revenues remaining (the "excess revenues") from the avails of  
10       all taxes levied on gasoline and motor fuels and on special fuels. Purchases of  
11       gasoline, diesel fuel, or special fuels which are subject to excise tax under Chapter  
12       7 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950 shall be exempt  
13       from the state sales tax and any sales tax levied by a political subdivision as defined  
14       by Article VI, Section 44(2). All monies appropriated by the Federal Highway  
15       Administration and the Federal Aviation Administration, or their successors, either  
16       reimbursed or paid directly, shall be paid directly or deposited in and credited to the  
17       trust fund.

18               (B)(1) Except as provided for in Subparagraph (2) of this Paragraph, the  
19       monies in the trust fund shall be appropriated or dedicated solely and exclusively for  
20       the costs for and associated with construction and maintenance of the roads and  
21       bridges of the state and federal highway systems, the Statewide Flood-Control  
22       Program or its successor, ports, airports, transit, and the Parish Transportation Fund  
23       or its successor and for the payment of all principal, interest, premium, if any, and  
24       other obligations incident to the issuance, security, and payment in respect of bonds  
25       or other obligations payable from the trust fund as authorized in Paragraph (D) of  
26       this Section. Unless pledged to the repayment of bonds authorized in Paragraphs (C)  
27       or (D) of this Section, the monies in the trust fund allocated to ports, airports, flood  
28       control, parish transportation, and state highway construction shall be appropriated  
29       annually by the legislature only pursuant to programs established by law which

1 establish a system of priorities for the expenditure of such monies, except that the  
2 Transportation Infrastructure Model for Economic Development, which shall include  
3 only those projects enumerated in House Bill 17 of the 1989 First Extraordinary  
4 Session of the Legislature and US Highway 61 from Thompson Creek to the  
5 Mississippi Line, in lieu of "US 61-Bains to Mississippi Line", and US Highway 165  
6 from I-10 to Alexandria to Monroe to Bastrop and thence on US Highway 425 from  
7 Bastrop to the Arkansas Line, in lieu of "US 165-I-10 Alexandria-Monroe-Bastrop-  
8 Arkansas Line" and LA 15-Natchez, Mississippi to Chase in lieu of "LA 15-Natchez,  
9 Mississippi to Monroe", shall be funded as provided by law. The state-generated tax  
10 monies appropriated for ports, Parish Transportation Fund, or its successor, and the  
11 Statewide Flood-Control Program, or its successor shall not exceed twenty percent  
12 annually of the state-generated tax revenues in the trust fund; provided, however, that  
13 no less than the avails of one cent of the excise tax on gasoline and special fuels shall  
14 be appropriated each year to the Parish Transportation Fund, or its successor.  
15 Beginning with the appropriation for Fiscal Year 2025-2026, the annual  
16 appropriation for airports shall be calculated as provided by law. Unencumbered and  
17 unexpended balances at the end of each fiscal year shall remain in the trust fund. The  
18 earnings realized in each fiscal year on the investment of monies in the trust fund  
19 shall be deposited in and credited to the trust fund.

20 (2) There is hereby established in the Transportation Trust Fund a special  
21 subfund to be known as the "Construction Subfund", hereinafter referred to as "the  
22 subfund". The monies in the subfund shall be appropriated and dedicated solely for  
23 the direct costs associated with actual project delivery, construction, and  
24 maintenance of transportation and capital transit infrastructure projects of the state  
25 and local government. The monies in the subfund that are appropriated by the  
26 legislature to the Department of Transportation and Development, or its successor,  
27 shall not be utilized by the department for the payment of employee wages and  
28 related benefits or employee retirement benefits.

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

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

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

1        §17. Coastal Protection and Restoration Fund

2                Section 17.(A) There shall be established in the state treasury the Coastal  
3        Protection and Restoration Fund to provide a dedicated, recurring source of revenues  
4        for the development and implementation of a program to protect and restore  
5        Louisiana's coastal area.

6                (B) The money in the fund shall be invested as provided by law and any  
7        earnings realized on investment of money in the fund shall be deposited in and  
8        credited to the fund. Money from donations, transfers, appropriations, or dedications,  
9        may be deposited in and credited to the fund. Any unexpended money remaining in  
10       the fund at the end of the fiscal year shall be retained in the fund.

11               (C) The money in the fund may be appropriated for purposes consistent with  
12       the Coastal Protection Plan developed by the Coastal Protection and Restoration  
13       Authority or its successor. No appropriation shall be made from the fund inconsistent  
14       with the purposes of the plan.

15               (D)(1) Subject to Section 13(B) of this Article, in each fiscal year, the federal  
16       revenues that are received by the state generated from Outer Continental Shelf  
17       energy production, including but not limited to oil and gas activity, wind energy,  
18       solar energy, tidal energy, wave energy, geothermal energy, and other alternative or  
19       renewable energy production or sources, and eligible, as provided by federal law, to  
20       be used for the purposes of this Paragraph shall be deposited and credited by the  
21       treasurer to the Coastal Protection and Restoration Fund.

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

26        §18. Permanent Trust Funds

27               Section 18. (A) Funds created by the legislature and designated as permanent  
28       trust funds shall be subject to the following restrictions:

1           (1) Except as otherwise provided in this Section, funds deposited into a  
2           permanent trust fund shall constitute its principal and shall be held in trust  
3           permanently and invested by the state treasurer as provided by law.

4           (2) Except as authorized in this constitution, no portion of the principal of a  
5           permanent trust fund, except for investment purposes as authorized by law, may be  
6           removed.

7           (3) Interest and investment earnings from monies held in a permanent trust  
8           shall not constitute any portion of the principal and may be dedicated as provided by  
9           law. Once enacted, any such dedication shall not be changed except by a law  
10          enacted by the favorable vote of two-thirds of the elected members of each house of  
11          the legislature.

12          (B) Unless provided otherwise by this constitution or by the provisions of  
13          the subfund, the provisions of Paragraph (A) of this Section shall apply to any  
14          subfund created within a permanent trust.

15          (C) A fund's status as a permanent trust fund may only be changed by law  
16          enacted by the favorable vote of two-thirds of the elected members of each house of  
17          the legislature.

18          (D) Each of the following shall be permanent trust funds:

19               (1) The Millennium Trust.

20               (2) The Louisiana Unclaimed Property Permanent Trust Fund.

21               (3) Any other trust designated by law as a permanent trust fund.

22          §19. Program Funds

23               Section 19.(A) By a law enacted by two-thirds of the elected members of  
24               each house, the legislature may create or designate a fund as a program fund in the  
25               state treasury. A program fund shall not be changed except by a law enacted by the  
26               favorable vote of two-thirds of the elected members of each house of the legislature.

27               (B) Each of the following funds shall be a program fund:

28                   (1) The Artificial Reef Development Fund.

29                   (2) The Oil Spill Contingency Fund.



1                   (3) The Oilfield Site Restoration Fund.

2                   (4) Any other fund designated by law as a program fund.

3           §10.1. ~~Quality Trust Fund; Education~~

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

1 ~~Coastal Environment Protection Trust Fund, as established in R.S. 30:313, from~~  
2 ~~those monies received from the federal government under Section 1337(g) of Title~~  
3 ~~43 of the United States Code which is attributable to mineral production activity or~~  
4 ~~leasing activity on the Outer Continental Shelf and which has been held in escrow~~  
5 ~~pending a settlement between the United States and the state of Louisiana; all funds~~  
6 ~~in excess of seven hundred fifty million dollars shall be credited to the Permanent~~  
7 ~~Trust Fund.~~

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

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

25 (B) ~~Investment. The money credited to the Permanent Trust Fund pursuant~~  
26 ~~to Paragraph (A) of this Section shall be permanently credited to the Permanent Trust~~  
27 ~~Fund and shall be invested by the treasurer. Notwithstanding any provision of this~~  
28 ~~constitution or other law to the contrary, a portion of money in the Permanent Trust~~  
29 ~~Fund, not to exceed thirty-five percent, may be invested in stock. The legislature~~

1 shall provide for procedures for the investment of such monies by law. The treasurer  
2 shall contract, subject to the approval of the State Bond Commission, for the  
3 management of such investments. The amounts in the Support Fund shall be  
4 available for appropriation to pay expenses incurred in the investment and  
5 management of the Permanent Trust Fund and for educational purposes only as  
6 provided in Paragraphs (C) and (D) of this Section.

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

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

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

26 (4) The monies appropriated by the legislature and disbursed from the  
27 Support Fund shall not displace, replace, or supplant appropriations from the general  
28 fund for elementary and secondary education, including implementing the Minimum  
29 Foundation Program, or displace, replace, or supplant funding for higher education.

1 For elementary and secondary education and for higher education, this Paragraph  
2 shall mean that no appropriation for any fiscal year from the Support Fund shall be  
3 made for any purpose for which a general fund appropriation was made in the  
4 previous year unless the total appropriations for that fiscal year from the state general  
5 fund for such purpose exceed general fund appropriations for the previous year. This  
6 Paragraph shall in no way limit general fund appropriations in excess of the  
7 minimum amounts herein established.

8 ~~(D) Disbursement; Higher Education and Elementary and Secondary~~  
9 ~~Education.~~

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

14 ~~(a) The carefully defined research efforts of public and private universities~~  
15 ~~in Louisiana.~~

16 ~~(b) The endowment of chairs for eminent scholars.~~

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

20 ~~(d) The recruitment of superior graduate students.~~

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

25 ~~(a) To provide compensation to city or parish school board professional~~  
26 ~~instructional employees.~~

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

1           ~~(c) To fund exemplary programs in elementary and secondary schools~~  
2           ~~designed to improve elementary or secondary student academic achievement or~~  
3           ~~vocational-technical skill.~~

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

6           ~~(e) To fund school remediation programs and preschool programs.~~

7           ~~(f) To fund the teaching of foreign languages in elementary and secondary~~  
8           ~~schools.~~

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

12          ~~§10.2. Coastal Protection and Restoration Fund~~

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

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

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

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

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

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

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

12           ~~(a) Ten million dollars of the mineral revenues in excess of six hundred~~  
13          ~~million dollars which remain after the allocations provided for in Paragraph (A) are~~  
14          ~~made by the treasurer.~~

15           ~~(b) Ten million dollars of the mineral revenues in excess of six hundred fifty~~  
16          ~~million dollars which remain after the allocations provided in Paragraph (A) are~~  
17          ~~made by the treasurer.~~

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

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

1        ~~dollars. Any unexpended money remaining in the fund at the end of the fiscal year~~  
2        ~~shall be retained in the fund.~~

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

6                ~~No appropriation shall be made from the fund inconsistent with the purposes~~  
7        ~~of the plan.~~

8                ~~(E)(1) Subject to Sections 9(B) and 10.1 of this Article, in each fiscal year,~~  
9        ~~the federal revenues that are received by the state generated from Outer Continental~~  
10       ~~Shelf energy production, including but not limited to oil and gas activity, wind~~  
11       ~~energy, solar energy, tidal energy, wave energy, geothermal energy, and other~~  
12       ~~alternative or renewable energy production or sources, and eligible, as provided by~~  
13       ~~federal law, to be used for the purposes of this Paragraph shall be deposited and~~  
14       ~~credited by the treasurer to the Coastal Protection and Restoration Fund.~~

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

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

22               ~~(F)(1) Notwithstanding the provisions of Article VII, Section 10, Article VII,~~  
23       ~~Section 10.3, Article VII, Section 10.8, or any other provision of this constitution to~~  
24       ~~the contrary, if, after July 1, 2006, the state securitizes any portion of the revenues~~  
25       ~~received from the Master Settlement Agreement executed November 23, 1998, and~~  
26       ~~approved by Consent Decree and Final Judgment entered in the case "Richard P.~~  
27       ~~Ieyoub, Attorney General, ex rel. State of Louisiana v. Philip Morris, Incorporated,~~  
28       ~~et al.," bearing Number 98-6473 on the docket of the Fourteenth Judicial District for~~  
29       ~~the parish of Calcasieu, state of Louisiana, the treasurer shall transfer to the fund~~

1        ~~established in Paragraph A of this Section twenty percent in the aggregate of the~~  
2        ~~revenues received as a result of the securitization occurring after July 1, 2006.~~

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

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

10        ~~§10.3. Budget Stabilization Fund~~

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

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

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

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

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



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

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

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

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

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

17          ~~(B) Money in the fund shall be invested as provided by law. Earnings~~  
18          ~~realized in each fiscal year on the investment of monies in the fund shall be~~  
19          ~~deposited to the credit of the fund. All unexpended and unencumbered monies in the~~  
20          ~~fund at the end of the fiscal year shall remain in the fund.~~

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

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

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

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

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

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

22           ~~§10.5. Mineral Revenue Audit and Settlement Fund~~

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

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

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

5           ~~(3) As provided by the requirements of Article VII, Sections 10-A, 10.1,~~  
6           ~~10.2, and 10.3 of this constitution.~~

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

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

1 increases for such systems; and for deposit in the Coastal Protection and Restoration  
2 Fund:

3 ~~§10.6. Oilfield Site Restoration Fund~~

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

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

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

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

23 ~~(3) All funds or revenues which may be donated expressly to the restoration~~  
24 ~~fund.~~

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

26 ~~(B) The monies in the restoration fund shall be appropriated by the~~  
27 ~~legislature to the Department of Natural Resources, or its successor, and shall be~~  
28 ~~used solely for the programs and purposes of oilfield site restoration as required by~~  
29 ~~law.~~

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

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

9           ~~§10.7. Oil Spill Contingency Fund~~

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

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

24           ~~Any increase in the amount charged for such fees, taxes, penalties,~~  
25           ~~judgments, reimbursements, charges, and federal funds collected or other revenue,~~  
26           ~~or any new fees, taxes, penalties, judgments, reimbursements, charges, and federal~~  
27           ~~funds collected or other revenue enacted by the legislature for the purposes of~~  
28           ~~abatement and containment of actual or threatened unauthorized discharges of oil~~

1 after the effective date of this Section, shall be irrevocably dedicated and deposited  
2 in the contingency fund:

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

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

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

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

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

19 ~~§10.8.~~ §20. Millennium Trust

20 ~~Section 10.8.~~ Section 20. Millennium Trust

21 (A) Creation

22 (1) There shall be established in the state treasury as a special permanent  
23 trust known as the "Millennium Trust". After allocation of money to the Bond  
24 Security and Redemption Fund as provided in Article VII, ~~Section 9(B)~~ Section  
25 13(B) of this constitution, the treasurer shall deposit in and credit to the Millennium  
26 Trust certain monies received as a result of the Master Settlement Agreement,  
27 hereinafter the "Settlement Agreement", executed November 23, 1998, and approved  
28 by Consent Decree and Final Judgment entered in the case "Richard P. Ieyoub,  
29 Attorney General, ex rel. State of Louisiana v. Philip Morris, Incorporated, et al.",

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

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

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

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

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

23 (2)(a) The Health Excellence Fund shall be established as a special fund  
 24 within the Millennium Trust. Funding for the Health Excellence Fund shall be  
 25 provided by law; however, no portion of the settlement agreement proceeds shall be  
 26 deposited into the fund. ~~The treasurer shall credit to the Health Excellence Fund~~  
 27 ~~one-third of the Settlement Agreement proceeds deposited each year into the~~  
 28 ~~Millennium Trust, and one-third of all investment earnings on the investment of the~~  
 29 ~~Millennium Trust. The treasurer shall report annually to the legislature as to the~~

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

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

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

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

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

25 (4)(a) ~~The TOPS Fund shall be established as a special fund within the~~  
26 ~~Millennium Trust. In addition to the deposits required pursuant to the provisions of~~  
27 ~~Subparagraph (A)(1) of this Section, additional amounts may be deposited into the~~  
28 ~~fund as provided by law. Settlement Agreement proceeds allocated to the TOPS~~  
29 ~~Fund each year shall not constitute trust principal for purposes of Section 18 of this~~



1        Article and may be appropriated as provided by law. ~~The treasurer shall deposit in~~  
2        ~~and credit to the TOPS Fund one-third of the Settlement Agreement proceeds~~  
3        ~~deposited into the Millennium Trust, and one-third of all investment earnings on the~~  
4        ~~investment of the Millennium Trust. The treasurer shall report annually to the~~  
5        ~~legislature as to the amount of Millennium Trust investment earnings credited to the~~  
6        ~~TOPS Fund.~~

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

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

18                (5) (4) ~~The amount of Settlement Agreement revenues deposited in the~~  
19       ~~Millennium Trust and credited to the respective funds may be increased and the~~  
20       ~~amount of such revenues deposited into the Louisiana Fund may be decreased by a~~  
21       ~~specific legislative instrument which receives a favorable vote of two-thirds of the~~  
22       ~~elected members of each house of the legislature.~~

23                (B) ~~Investment. Monies credited to the Millennium Trust pursuant to~~  
24       ~~Paragraph (A) of this Section shall be invested by the treasurer with the same~~  
25       ~~authority and subject to the same restrictions as the Louisiana Education Quality~~  
26       ~~Trust Fund. However, the portion of monies in the Millennium Trust which may be~~  
27       ~~invested in stock may be increased to no more than fifty percent by a specific~~  
28       ~~legislative instrument which receives a favorable vote of two-thirds of the elected~~  
29       ~~members of each house of the legislature. The legislature shall provide for~~

1       ~~procedures for the investment of such monies by law. The treasurer may contract,~~  
2       ~~subject to the approval of the State Bond Commission, for the management of such~~  
3       ~~investments and, if a contract is entered into, amounts necessary to pay the costs of~~  
4       ~~the contract shall be appropriated from the Millennium Trust.~~

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

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

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

28               ~~(c)(i) For Fiscal Year 2011-2012, appropriations from the TOPS Fund shall~~  
29       ~~be limited to the amount of Settlement Agreement proceeds credited to and deposited~~

1       ~~into the TOPS Fund as provided by Subsubparagraphs (A)(4)(b) and (c) of this~~  
2       ~~Section, and an annual amount not to exceed the estimated aggregate annual earnings~~  
3       ~~from interest, dividends, and realized capital gains on investment of the trust and~~  
4       ~~credited to the TOPS Fund as provided by Subsubparagraph (A)(4)(b) of this Section~~  
5       ~~and as recognized by the Revenue Estimating Conference.~~

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

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

21            ~~(2) Appropriations from the Health Excellence Fund shall be restricted to the~~  
22      ~~following purposes:~~

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

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

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

6 ~~(3) Appropriations from the Education Excellence Fund shall be limited as~~  
7 ~~follows:~~

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

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

24 ~~(c) Appropriations may be made for independent public schools approved~~  
25 ~~by the State Board of Elementary and Secondary Education or any city, parish, or~~  
26 ~~other local school system, laboratory schools approved by the State Board of~~  
27 ~~Elementary and Secondary Education and operated by a public postsecondary~~  
28 ~~education institution, and for alternative schools and programs which are authorized~~  
29 ~~and approved by the State Board of Elementary and Secondary Education but are not~~

1 subject to the jurisdiction and management of any city, parish, or local school system  
2 to provide for an allocation for each pupil, which shall be the average statewide per  
3 pupil amount provided in each city, parish, or local school system pursuant to  
4 Subsubparagraph (c) of this Subparagraph.

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

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

23 (g) ~~Each recipient entity shall annually prepare and submit to the state~~  
24 ~~Department of Education, hereinafter the "department", a prioritized plan for~~  
25 ~~expenditure of funds it expects to receive in the coming year from the Education~~  
26 ~~Excellence Fund. The plan shall include performance expectations to ensure~~  
27 ~~accountability in the expenditure of such monies. The department shall review such~~  
28 ~~plans for compliance with the requirements of this Subparagraph and to assure that~~  
29 ~~the expenditure plans will support excellence in educational practice. No funds may~~

1 ~~be distributed to a recipient entity until its plan has received both legislative and~~  
2 ~~departmental approval as provided by law.~~

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

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

24 ~~(4)~~ (2) Appropriations from the TOPS Fund shall be restricted to support of  
25 state programs for financial assistance for students attending Louisiana institutions  
26 of postsecondary education.

27 ~~§10.9. Louisiana Fund~~

28 ~~Section 10.9. Louisiana Fund~~

1           ~~(A) The Louisiana Fund is established in the state treasury as a special fund.~~  
2           ~~After allocation of money to the Bond Security and Redemption Fund as provided~~  
3           ~~in Article VII, Section 9(B) of this constitution, the treasurer shall deposit in and~~  
4           ~~credit to the Louisiana Fund all remaining monies received as a result of the~~  
5           ~~Settlement Agreement after deposits into the Millennium Trust as provided in~~  
6           ~~Section 10.8 of this Article, and all interest income on the investment of monies in~~  
7           ~~the Louisiana Fund. Monies in the Louisiana Fund shall be invested by the treasurer~~  
8           ~~in the same manner as the state general fund.~~

9           ~~(B) Appropriations from the Louisiana Fund shall be restricted to the~~  
10          ~~following purposes:~~

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

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

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

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

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

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

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

27          ~~(C) Each appropriation from the Louisiana Fund shall include performance~~  
28          ~~expectations to ensure accountability in the expenditure of such monies. Any~~

1 unexpended and unencumbered monies in each fund at the end of a fiscal year shall  
2 remain in the respective fund.

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

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

27                  (2)(a) The first formula established pursuant to Subparagraph (1) of this  
 28                  Paragraph, which shall require a favorable vote of two-thirds of the elected members  
 29                  of each house for adoption, shall define and establish as the base reimbursement

1 level under the Louisiana medical assistance program provided for in Title XIX of  
2 the Social Security Act, hereafter referred to as the "Medicaid Program", to hospitals  
3 for inpatient and outpatient services in Fiscal Year 2012-2013. The formula shall  
4 also provide for the preservation and protection of rural hospitals as provided for by  
5 law. Each formula established thereafter may apply a rate of inflation, which shall  
6 not be a negative rate, to the base reimbursement level from the previous formula  
7 adopted by the legislature.

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

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

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

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

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

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

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

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

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

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

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

14 (3) Notwithstanding Article VII, Section ~~10(F)~~ 14(F) of this constitution,  
15 neither the governor nor the legislature may reduce the appropriation funding the  
16 base reimbursement level or the reimbursement enhancements to satisfy a budget  
17 deficit, except the governor may reduce the appropriation to the base reimbursement  
18 level if the following occur:

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

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

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

26 (C) Hospital Stabilization Fund. There is hereby established as a special  
27 fund in the state treasury the Hospital Stabilization Fund, hereafter referred to as "the  
28 fund". After compliance with the requirements of Article VII, Section ~~9(B)~~ 13(B)  
29 of this constitution relative to the Bond Security and Redemption Fund, the treasurer

1 shall deposit all proceeds from the assessment collected pursuant to the Hospital  
2 Stabilization Formula provided for in this Section. The monies in the fund shall be  
3 invested in the same manner as monies in the state general fund, and all interest  
4 earned on the investment of the fund shall be deposited in and credited to the fund.  
5 Appropriations from the fund shall be restricted to funding the reimbursement  
6 enhancements established in the Hospital Stabilization Formula adopted by the  
7 legislature for the fiscal year in which the assessment is collected.

8 ~~§10.14.~~ §22. Louisiana Medical Assistance Trust Fund

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

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

28 (C) The legislature is authorized to appropriate monies from the fund only  
29 if the appropriation is eligible for federal financial participation under Title XIX of

1 the Social Security Act, or its successor. The balance of each account shall be  
2 appropriated for reimbursement of services to the provider group which paid the fee  
3 into the account in any fiscal year, except monies deposited into the general account  
4 may be appropriated for any Medicaid Program expenditure.

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

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

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

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

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

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

29 ~~§10.15. Revenue Stabilization Trust Fund~~

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

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

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

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

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

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

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

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

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

27           ~~(ii) Transportation infrastructure.~~

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

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

10       ~~§10.16. Dedications of Mineral Revenues~~

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

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

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

20           (3) ~~To the Louisiana Wildlife and Fisheries Conservation Fund as provided~~  
21           ~~by the requirements of Article VII, Section 10-A of this constitution and as provided~~  
22           ~~by law.~~

23           (4) ~~To the Louisiana Wildlife and Fisheries Conservation Fund and the Oil~~  
24           ~~and Gas Regulatory Fund as provided by law.~~

25           (5) ~~To the Rockefeller Wildlife Refuge and Game Preserve Fund as provided~~  
26           ~~by law.~~

27           (6) ~~To the Marsh Island Operating Fund and the Russell Sage or Marsh~~  
28           ~~Island Refuge Fund as provided by law.~~

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

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

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

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

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

8           ~~(12) To the Budget Stabilization Fund as provided in Article VII, Section~~  
9           ~~10.3 of this constitution and as provided by law.~~

10          ~~(13) An amount equal to the state general fund deposited into the~~  
11          ~~Transportation Trust Fund and the Louisiana State Transportation Infrastructure~~  
12          ~~Fund as provided by law.~~

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

17                 ~~(1) Thirty percent shall be appropriated to the Louisiana State Employees'~~  
18                 ~~Retirement System and the Teachers' Retirement System of Louisiana for application~~  
19                 ~~to the balance of the unfunded accrued liability of such systems existing as of June~~  
20                 ~~30, 1988, in proportion to the balance of such unfunded accrued liability of each such~~  
21                 ~~system, until such unfunded accrued liability has been eliminated. Any such~~  
22                 ~~payments to the public retirement systems shall not be used, directly or indirectly,~~  
23                 ~~to fund cost-of-living increases for such systems.~~

24                 ~~(2) The remainder shall be deposited into the Revenue Stabilization Trust~~  
25                 ~~Fund.~~

26                 ~~(C) Mineral revenues in excess of the base which would otherwise be~~  
27                 ~~deposited into the Budget Stabilization Fund under Subparagraph (A)(2) of Section~~  
28                 ~~10.3 of this constitution, but are prohibited from being deposited into the fund under~~



1        ~~Subparagraph (C)(4) of Section 10.3 of this constitution, shall be distributed as~~  
 2        ~~follows:~~

3                ~~(1) Thirty percent shall be appropriated to the Louisiana State Employees'~~  
 4        ~~Retirement System and the Teachers' Retirement System of Louisiana for application~~  
 5        ~~to the balance of the unfunded accrued liability of such systems existing as of June~~  
 6        ~~30, 1988, in proportion to the balance of such unfunded accrued liability of each such~~  
 7        ~~system, until such unfunded accrued liability has been eliminated. Any such~~  
 8        ~~payments to the public retirement systems shall not be used, directly or indirectly,~~  
 9        ~~to fund cost-of-living increases for such systems.~~

10               ~~(2) The remainder shall be deposited into the Revenue Stabilization Trust~~  
 11        ~~Fund.~~

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

14               ~~(1) Revenues designated as nonrecurring, pursuant to Article VII, Section~~  
 15        ~~10(B) of this constitution.~~

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

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

19        ~~§10-A. §23. Wildlife and Fisheries; Fisheries Conservation Fund~~

20               ~~Section 10-A. 23.(A) Conservation Fund. Effective July 1, 1988, there~~  
 21        ~~There shall be established in the state treasury, as a special fund, the Louisiana~~  
 22        ~~Wildlife and Fisheries Conservation Fund, hereinafter referred to as the Conservation~~  
 23        ~~Fund. Out of the funds remaining in the Bond Security and Redemption Fund after~~  
 24        ~~a sufficient amount is allocated from that fund to pay all obligations secured by the~~  
 25        ~~full faith and credit of the state which become due and payable within any fiscal year~~  
 26        ~~as required by Article VII, Section 9(B) 13(B) of this constitution, the treasurer shall~~  
 27        ~~pay into the Conservation Fund all of the following, except as provided in Article~~  
 28        ~~VII, Section 9(A) 13(A), and except for the amount provided in R.S. 56:10(B)(1)(a)~~  
 29        ~~as that provision existed on the effective date of this Section December 23, 1987:~~

1           (1)(a) 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, December 23, 1987.~~ Such revenue shall be  
4 deposited in the Conservation Fund even if the names of such fees, licenses, permits,  
5 or other revenues are changed.

6           (b) Any increase in the amount charged for such fees, licenses, permits,  
7 royalties, and other revenue, or any new fee, license, permit, royalty, or other  
8 revenue, enacted by the legislature after the ~~effective date of this Section, December~~  
9 23, 1987, shall be irrevocably dedicated and deposited in the Conservation Fund  
10 unless the legislature enacts a law specifically appropriating or dedicating such  
11 revenue to another fund or purpose.

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

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

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

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

1       ~~§11.~~ §24. Budgets

2               ~~Section 11.~~ Section 24.(A) Budget Estimate. The governor shall submit to  
3       the legislature, at the time and in the form fixed by law, a budget estimate for the  
4       next fiscal year setting forth all proposed state expenditures. This budget shall  
5       include a recommendation for appropriations from the state general fund and from  
6       dedicated funds, except funds allocated by Article VII, ~~Section 4, Paragraphs (D) and~~  
7       ~~(E);~~ Section 8, Paragraphs (B) and (C), which shall not exceed the official forecast  
8       of the Revenue Estimating Conference, ~~and the expenditure limit for the fiscal year.~~  
9       The recommendation shall also comply with the provisions of Article VII, ~~Section~~  
10      ~~10(D).~~ Section 14, Paragraphs (C) and (D). This budget shall include a  
11      recommendation for funding of state salary supplements for full-time law  
12      enforcement and fire protection officers of the state, as provided in Article VII,  
13      ~~Section 10(D)(3)~~ Section 14(D)(3) of this constitution.

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

19              (C) Capital Budget. The governor shall submit to the legislature, at each  
20      regular session, a proposed five-year capital outlay program and request  
21      implementation of the first year of the program. Prior to inclusion in the  
22      comprehensive capital budget which the legislature adopts, each capital improvement  
23      project shall be evaluated through a feasibility study, as defined by the legislature,  
24      which shall include an analysis of need and estimates of construction and operating  
25      costs. The legislature shall provide by law for procedures, standards, and criteria for  
26      the evaluation of such feasibility studies and shall set the schedule of submission of  
27      such feasibility studies ~~which shall take effect not later than December thirty-first~~  
28      ~~following the first regular session convening after this Paragraph takes effect.~~  
29      studies. These procedures, standards, and criteria for evaluation of such feasibility

1 studies cannot be changed or altered except by a separate legislative instrument  
2 approved by a favorable vote of two-thirds of the elected members of each house of  
3 the legislature. For ~~those~~ projects not eligible for funding under the provisions of  
4 Article VII, ~~Section 27~~ Section 16 of this constitution, the request for  
5 implementation of the first year of the program shall include a list of the proposed  
6 projects in priority order based on the evaluation of the feasibility studies submitted.  
7 Capital outlay projects approved by the legislature shall be made a part of the  
8 comprehensive state capital budget, which shall be adopted by the legislature.

9 ~~§12: §25.~~ Reports and Records

10 ~~Section 12.~~ Section 25. Reports and records of the collection, expenditure,  
11 investment, and use of state money and those relating to state obligations shall be  
12 matters of public record, except returns of taxpayers and matters pertaining to those  
13 returns.

14 ~~§13: §26.~~ Investment of State Funds

15 ~~Section 13.~~ Section 26. All money in the custody of the state treasurer which  
16 is available for investment shall be invested as provided by law.

17 ~~§14: §27.~~ Donation, Loan, or Pledge of Public Credit

18 ~~Section 14.~~ Section 27.(A) Prohibited Uses. Except as otherwise provided  
19 by this constitution, the funds, credit, property, or things of value of the state or of  
20 any political subdivision shall not be loaned, pledged, or donated to or for any  
21 person, association, or corporation, public or private. Except as otherwise provided  
22 in this Section, neither the state nor a political subdivision shall subscribe to or  
23 purchase the stock of a corporation or association or for any private enterprise.

24 (B) Authorized Uses. Nothing in this Section shall prevent (1) the use of  
25 public funds for programs of social welfare for the aid and support of the needy; (2)  
26 contributions of public funds to pension and insurance programs for the benefit of  
27 public employees; (3) the pledge of public funds, credit, property, or things of value  
28 for public purposes with respect to the issuance of bonds or other evidences of  
29 indebtedness to meet public obligations as provided by law; (4) the return of

1 property, including mineral rights, to a former owner from whom the property had  
2 previously been expropriated, or purchased under threat of expropriation, when the  
3 legislature by law declares that the public and necessary purpose which originally  
4 supported the expropriation has ceased to exist and orders the return of the property  
5 to the former owner under such terms and conditions as specified by the legislature;  
6 (5) acquisition of stock by any institution of higher education in exchange for any  
7 intellectual property; (6) the donation of abandoned or blighted housing property by  
8 the governing authority of a municipality or a parish to a nonprofit organization  
9 which is recognized by the Internal Revenue Service as a 501(c)(3) or 501(c)(4)  
10 nonprofit organization and which agrees to renovate and maintain such property until  
11 conveyance of the property by such organization; (7) the deduction of any tax,  
12 interest, penalty, or other charges forming the basis of tax liens on blighted property  
13 so that they may be subordinated and waived in favor of any purchaser who is not  
14 a member of the immediate family of the blighted property owner or which is not  
15 any entity in which the owner has a substantial economic interest, but only in  
16 connection with a property renovation plan approved by an administrative hearing  
17 officer appointed by the parish or municipal government where the property is  
18 located; (8) the deduction of past due taxes, interest, and penalties in favor of an  
19 owner of a blighted property, but only when the owner sells the property at less than  
20 the appraised value to facilitate the blighted property renovation plan approved by  
21 the parish or municipal government and only after the renovation is completed such  
22 deduction being canceled, null and void, and to no effect in the event ownership of  
23 the property in the future reverts back to the owner or any member of his immediate  
24 family; (9) the donation by the state of asphalt which has been removed from state  
25 roads and highways to the governing authority of the parish or municipality where  
26 the asphalt was removed, or if not needed by such governing authority, then to any  
27 other parish or municipal governing authority, but only pursuant to a cooperative  
28 endeavor agreement between the state and the governing authority receiving the  
29 donated property; (10) the investment in stocks of a portion of the Rockefeller

1 Wildlife Refuge Trust and Protection Fund, ~~created under the provisions of R.S.~~  
2 ~~56:797, Fund~~ and the Russell Sage or Marsh Island Refuge Fund, ~~created under the~~  
3 ~~provisions of R.S. 56:798~~, such portion not to exceed thirty-five percent of each  
4 fund; (11) the investment in stocks of a portion of the state-funded permanently  
5 endowed funds of a public or private college or university, not to exceed thirty-five  
6 percent of the public funds endowed; (12) the investment in equities of a portion of  
7 the Medicaid Trust Fund for the ~~Elderly~~ ~~created under the provisions of R.S. 46:2691~~  
8 ~~et seq.~~, Elderly, such portion not to exceed thirty-five percent of the fund; (13) the  
9 investment of public funds to capitalize a state infrastructure bank and the loan,  
10 pledge, or guarantee of public funds by a state infrastructure bank solely for  
11 transportation projects; (14) pursuant to a written agreement, the donation of the use  
12 of public equipment and personnel by a political subdivision upon request to another  
13 political subdivision for an activity or function the requesting political subdivision  
14 is authorized to exercise; or (15) a political subdivision from waiving charges for  
15 water if the charges are the result of water lost due to damage to the water delivery  
16 infrastructure and that damage is not the result of any act or failure to act by the  
17 customer being charged for the water.

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

22 (D) Prior Obligations. Funds, credit, property, or things of value of the state  
23 or of a political subdivision heretofore loaned, pledged, dedicated, or granted by  
24 prior state law or authorized to be loaned, pledged, dedicated, or granted by ~~the~~ prior  
25 laws and constitution of this state shall so remain for the full term as provided by ~~the~~  
26 such prior laws and constitution and for the full term as provided by any contract,  
27 unless the authorization is revoked by law enacted by two-thirds of the elected  
28 members of each house of the legislature prior to the vesting of any contractual  
29 rights pursuant to this Section.

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

4 ~~§15. §28.~~ Release of Obligations to State, Parish, or Municipality

5 ~~Section 15.~~ Section 28. The legislature shall have no power to release,  
 6 extinguish, or authorize the releasing or extinguishing of any indebtedness, liability,  
 7 or obligation of a corporation or individual to the state, a parish, or a municipality.  
 8 However, the legislature, by law, may establish a system under which claims by the  
 9 state or a political subdivision may be compromised, and may provide for the release  
 10 of heirs to confiscated property from taxes due ~~thereon~~ on such property at the date  
 11 of its reversion to them.

12 ~~§16. §29.~~ Taxes; Prescription

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

17 ~~§17. §30.~~ Legislation to Obtain Federal Aid

18 ~~Section 17.~~ Section 30. The legislature may enact laws to enable the state,  
 19 its agencies, boards, commissions, and political subdivisions and their agencies to  
 20 comply with federal laws and regulations in order to secure federal participation in  
 21 funding capital improvement projects.

22 §31. Funding; Teacher Salaries

23 Section 31.(A)(1) Notwithstanding any other provision of this constitution  
 24 to the contrary, upon the effective date of this Section the state treasurer is authorized  
 25 and directed to transfer to the Teachers' Retirement System of Louisiana the balance  
 26 of each of the following:

27 (a) The Education Excellence Fund.

28 (b) The Louisiana Education Quality Trust Fund.

29 (c) The Louisiana Quality Education Support Fund.

1           (2) The Teachers' Retirement System of Louisiana shall apply monies  
 2           received pursuant to Subparagraph (1) of this Paragraph to its oldest outstanding  
 3           positive amortization base. After liquidation of such base, any remaining monies  
 4           shall be applied to the next-oldest outstanding positive amortization base, until all  
 5           such monies have been applied. If application of monies pursuant to the provisions  
 6           of this Subparagraph are insufficient to fully liquidate an amortization base, after  
 7           application of such monies the net remaining liability of such amortization base shall  
 8           be reamortized with annual level-dollar payments calculated in the same manner as  
 9           other system amortization payments and over the remainder of the amortization  
 10           period originally established for that base.

11           (B) As provided by law, participating employers in the Teachers' Retirement  
 12           System of Louisiana shall provide a permanent salary increase to eligible personnel.  
 13           Such increase shall be funded using the employer's net savings attributable to the  
 14           payments made pursuant to Paragraph (A) of this Section.

PART II. PROPERTY TAXATION

16           ~~§18: §32.~~ Ad Valorem Taxes

17           ~~Section 18: Section 32.~~(A) Assessments. Property subject to ad valorem  
 18           taxation shall be listed on the assessment rolls at its assessed valuation, which,  
 19           except as provided in Paragraphs ~~(C), (F), and (G)~~, (C) or (F) of this constitution or  
 20           in exceptions provided by law for special assessment levels, shall be a percentage of  
 21           its fair market value. The percentage of fair market value shall be uniform  
 22           throughout the state upon the same class of property.

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

Classifications	Percentages
1. Land	10%
2. Improvements for residential purposes	10%
3. Electric cooperative properties, excluding land	15%



- 1           4. Public service properties, excluding land           25%
- 2           5. Public service property, excluding land, owned
- 3                 by a railroad company                                 15%
- 4           6. Other property   15%

5                     The legislature may enact laws defining electric cooperative properties and  
6 public service properties.

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

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

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

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

25                    (2)(a) In the year of implementation of a reappraisal as required in  
26 Subparagraph (1) of this Paragraph, solely for purposes of determining the ad  
27 valorem tax imposed on residential property subject to the homestead exemption as  
28 provided in Section ~~20~~ 34 of this Article, if the assessed value of immovable  
29 property increases by an amount which is greater than fifty percent of the property's

1 assessed value in the previous year, the collector shall phase-in the additional tax  
2 liability resulting from the increase in the property's assessed value over a four-year  
3 period as follows:

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

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

20 (iii) For purposes of calculating the ad valorem taxes on the property in the  
21 third 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 three-quarters of the amount of the increase in the  
24 property's assessed value as a result of the reappraisal to the base amount. This  
25 resulting amount shall constitute the property's taxable value and shall be used solely  
26 for purposes of calculating ad valorem taxes for that taxable year.

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

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

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

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

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

24 ~~(G) Special Assessment Level.~~

25 ~~(1)(a)(i) The assessment of residential property receiving the homestead~~  
26 ~~exemption which is owned and occupied by any of the following and who meet all~~  
27 ~~of the other requirements of this Section shall not be increased above the total~~  
28 ~~assessment of that property for the first year that the owner qualifies for and receives~~

1 the special assessment level, provided that such person or persons remain qualified  
2 for and receive the special assessment level:

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

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

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

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

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

24 (iii) ~~An eligible owner or the owner's spouse or other legally qualified  
25 representative shall apply for the special assessment level by filing a signed  
26 application establishing that the owner qualifies for the special assessment level with  
27 the assessor of the parish or, in the parish of Orleans, the assessor of the district  
28 where the property is located.~~

1           ~~(iv) An owner who is below the age of sixty-five and who has applied for~~  
2           ~~and received the special assessment level may qualify for and receive the special~~  
3           ~~assessment level in the subsequent year by certifying to the assessor of the parish~~  
4           ~~that such person or persons' adjusted gross income in the prior tax year satisfied the~~  
5           ~~income requirement of this Section. The provisions of this Item shall not apply to~~  
6           ~~an owner who has qualified for and received the special assessment level for persons~~  
7           ~~sixty-five years of age or older or to such owner's surviving spouse as described in~~  
8           ~~Item (2)(a)(i) of this Paragraph or for an owner who is permanently totally disabled~~  
9           ~~as provided for in Subitem (i)(dd) of this Subsubparagraph.~~

10           ~~(b) Any millage rate applied to the special assessment level shall not be~~  
11           ~~subject to a limitation.~~

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

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

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

20           ~~(iii) The spouse of the owner who is killed in action remains the owner of the~~  
21           ~~property.~~

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

25           ~~(v) Even if the ownership interest of any surviving spouse or spouse of an~~  
26           ~~owner who is missing in action as provided for in this Subparagraph is an interest in~~  
27           ~~usufruct.~~

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

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

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

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

13          ~~(5)(a) Any owner entitled to the special assessment level set forth in this~~  
14          ~~Paragraph who is unable to occupy the homestead on or before December thirty-first~~  
15          ~~of a future calendar year due to damage or destruction of the homestead caused by~~  
16          ~~a disaster or emergency declared by the governor shall be entitled to keep the special~~  
17          ~~assessment level of the homestead prior to its damage or destruction on the repaired~~  
18          ~~or rebuilt homestead provided the repaired or rebuilt homestead is reoccupied by the~~  
19          ~~owner within five years from December thirty-first of the year following the disaster.~~  
20          ~~The assessed value of the land and buildings on which the homestead was located~~  
21          ~~prior to its damage shall not be increased above its assessed value immediately prior~~  
22          ~~to the damage or destruction described in this Subsubparagraph. If the property~~  
23          ~~owner receives a homestead exemption on another homestead during the same five-~~  
24          ~~year period, the damaged or destroyed property shall not be entitled to keep the~~  
25          ~~special assessment level, and the land and buildings shall be assessed in that year at~~  
26          ~~the percentage of fair market value set forth in this constitution. In addition, the~~  
27          ~~owner shall also maintain the homestead exemption set forth in Article VII, Section~~  
28          ~~20(A)(10) to qualify for the special assessment level in this Subsubparagraph.~~

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

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

21           ~~(6)(a) A trust shall be eligible for the special assessment level as provided~~  
22           ~~by law.~~

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

1       ~~§19. §33.~~ State Property Taxation; Rate Limitation

2               ~~Section 19.~~ Section 33. State taxation on property for all purposes shall not  
3       exceed an annual rate of five and three-quarter mills on the dollar of assessed  
4       valuation.

5       ~~§20. §34.~~ Homestead Exemption

6               ~~Section 20.~~ Section 34.(A) Homeowners.

7               (1) The bona fide homestead, consisting of a tract of land or two or more  
8       tracts of land even if the land is classified and assessed at use value pursuant to  
9       Article VII, Section ~~18(C)~~ 32(C) of this constitution, with a residence on one tract  
10      and a field with or without timber on it, pasture, or garden on the other tract or tracts,  
11      not exceeding one hundred sixty acres, buildings and appurtenances, whether rural  
12      or urban, owned and occupied by any person or persons owning the property in  
13      indivision, shall be exempt from state, parish, and special ad valorem taxes to the  
14      extent of seven thousand five hundred dollars of the assessed valuation. The same  
15      homestead exemption shall also fully apply to the primary residence, including a  
16      mobile home, which serves as a bona fide home and which is owned and occupied  
17      by any person or persons owning the property in indivision, regardless of whether  
18      the homeowner owns the land upon which the home or mobile home is sited;  
19      however, this homestead exemption shall not apply to the land upon which such  
20      primary residence is sited if the homeowner does not own the land.

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

28              (3) The homestead exemption shall extend to property owned by a trust  
29      when the principal beneficiary or beneficiaries of the trust are the settlor or settlors



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

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

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

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

21 (7) No homestead exemption shall be granted on bond for deed property.  
22 However, any homestead exemption granted prior to June 20, 2003 on any property  
23 occupied ~~upon the effective date of this Paragraph~~ on November 2, 2004, by a buyer  
24 under a bond for deed contract shall remain valid as long as the circumstances giving  
25 rise to the exemption at the time the exemption was granted remain applicable.

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

1           (9) This exemption shall not extend to municipal taxes. However, the  
2 exemptions authorized pursuant to the provisions of this Section shall apply (a) in  
3 Orleans Parish, to state, general city, school, levee, and levee district taxes and (b)  
4 to any municipal taxes levied for school purposes.

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

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

1        homeowner has a damage claim filed and pending against the insurer of the property  
2        as provided by law.

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

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

11        ~~§21.~~ §35. Other Property Exemptions

12                ~~Section 21.~~ Section 35. In addition to the homestead exemption provided for  
13        in ~~Section 20~~ Section 34 of this Article, ~~the following property and no other shall be~~  
14        ~~exempt from ad valorem taxation:~~ the legislature may provide by law enacted by  
15        two-thirds of the elected members of each house for property exempt from ad  
16        valorem taxation. Once enacted, any change to an ad valorem tax exemption shall  
17        also be enacted by two-thirds of the elected members of each house of the  
18        legislature. However, no measure legislating with regard to ad valorem tax  
19        exemptions, exclusions, deductions, or credits shall be introduced or enacted during  
20        a regular session held in an even-numbered year.

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

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

1           (ii) ~~Medical equipment leased for a term exceeding five years to such a~~  
2           ~~nonprofit corporation or association that owns or operates a small, rural hospital and~~  
3           ~~that uses the equipment solely for health care purposes at the hospital, provided that~~  
4           ~~the property shall be exempt only during the term of the lease to such corporation or~~  
5           ~~association, and further provided that "small, rural hospital" shall mean a hospital~~  
6           ~~that meets all of the following criteria:~~

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

8                   (bb) ~~It is located in a municipality with a population of less than ten~~  
9           ~~thousand that has been classified as an area with a shortage of health manpower by~~  
10           ~~the United States Health Service; and~~

11           (b) ~~Property leased to such a nonprofit corporation or association for use~~  
12           ~~solely as housing for homeless persons, as defined by regulation adopted by the tax~~  
13           ~~commission or its successor provided that the term of such lease shall be for at least~~  
14           ~~five years, that as a condition of entering into the lease the property be in compliance~~  
15           ~~with all applicable health and sanitation codes for use as housing for homeless~~  
16           ~~persons, that the lease shall provide that compensation to be paid the lessor shall not~~  
17           ~~exceed one dollar per year, and that such contract of lease shall recite that the~~  
18           ~~property shall be used exclusively for the purpose of housing the homeless, and~~  
19           ~~further provided that at such time as the property is no longer used solely as housing~~  
20           ~~for homeless persons, the property shall no longer be exempt from taxation;~~

21           (2) ~~Property of a bona fide labor organization representing its members or~~  
22           ~~affiliates in collective bargaining efforts; and~~

23           (3) ~~Property of an organization such as a lodge or club organized for~~  
24           ~~charitable and fraternal purposes and practicing the same, and property of a nonprofit~~  
25           ~~corporation devoted to promoting trade, travel, and commerce, and also property of~~  
26           ~~a trade, business, industry or professional society or association, if that property is~~  
27           ~~owned by a nonprofit corporation or association organized under the laws of this~~  
28           ~~state for such purposes.~~

1           ~~(4)(a) None of the property listed in this Paragraph shall be exempt if owned,~~  
2           ~~operated, leased, or used for commercial purposes unrelated to the exempt purposes~~  
3           ~~of the corporation or association.~~

4           ~~(b)(i) None of the property listed in this Paragraph shall be exempt if the~~  
5           ~~property is owned by a nonprofit corporation or association and the governing~~  
6           ~~authority of the municipality or parish in which the property is located determines~~  
7           ~~all of the following:~~

8           ~~(aa) The property is leased as housing, is in a state of disrepair, and~~  
9           ~~manifests conditions which endanger the health or safety of the public.~~

10          ~~(bb) The owner of the property habitually neglects maintenance of the~~  
11          ~~property as evidenced by three or more sustained code enforcement violations issued~~  
12          ~~for the property in the prior twelve months for matters that endanger the health or~~  
13          ~~safety of residents of the property or of persons in the area surrounding the property.~~  
14          ~~For purposes of this Item, matters deemed to endanger health or safety include~~  
15          ~~structural instability due to deterioration; injurious or toxic ventilation; contaminated~~  
16          ~~or inoperable water supply; holes, breaks, rotting materials, or mold in walls; roof~~  
17          ~~defects that admit rain; unsecured overhang extensions in danger of collapse; a~~  
18          ~~hazardous electrical system; improper connection of fuel-burning appliances or~~  
19          ~~equipment; an inactive or inoperable fire detection system; an unsecured or~~  
20          ~~contaminated swimming pool; or any combination of these.~~

21          ~~(ii) An ad valorem tax exemption denied or revoked pursuant to the~~  
22          ~~provisions of Item (i) of this Subsubparagraph may be issued or reinstated if the~~  
23          ~~governing authority of the municipality or parish in which the property is located~~  
24          ~~determines that the conditions enumerated in Item (i) of this Subsubparagraph no~~  
25          ~~longer exist.~~

26                 ~~(C)(1) Cash on hand or deposit;~~

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

- 1           ~~(3) obligations secured by mortgage on property located in Louisiana and the~~  
2           ~~notes or other evidence thereof;~~
- 3           ~~(4) loans by life insurance companies to policyholders, if secured solely by~~  
4           ~~their policies;~~
- 5           ~~(5) the legal reserve of domestic life insurance companies;~~
- 6           ~~(6) loans by a homestead or building and loan association to its members, if~~  
7           ~~secured solely by stock of the association;~~
- 8           ~~(7) debts due for merchandise or other articles of commerce or for services~~  
9           ~~rendered;~~
- 10           ~~(8) obligations of the state or its political subdivisions;~~
- 11           ~~(9) personal property used in the home or on loan in a public place;~~
- 12           ~~(10) irrevocably dedicated places of burial held by individuals for purposes~~  
13           ~~of burial of themselves or members of their families;~~
- 14           ~~(11) agricultural products while owned by the producer, agricultural~~  
15           ~~machinery and other implements used exclusively for agricultural purposes, animals~~  
16           ~~on the farm, and property belonging to an agricultural fair association;~~
- 17           ~~(12) property used for cultural, Mardi Gras carnival, or civic activities and~~  
18           ~~not operated for profit to the owners;~~
- 19           ~~(13) rights-of-way granted to the State Department of Highways;~~
- 20           ~~(14) boats using gasoline as motor fuel;~~
- 21           ~~(15) commercial vessels used for gathering seafood for human consumption;~~  
22           ~~and~~
- 23           ~~(16) ships and oceangoing tugs, towboats, and barges engaged in~~  
24           ~~international trade and domiciled in Louisiana ports. However, this exemption shall~~  
25           ~~not apply to harbor, wharf, shed, and other port dues or to any vessel operated in the~~  
26           ~~coastal trade of the states of the United States.~~
- 27           ~~(17) Materials, boiler fuels, and energy sources used by public utilities to~~  
28           ~~fuel the generation of electricity.~~

1           ~~(18) All incorporeal movables of any kind or nature whatsoever, except~~  
2           ~~public service properties, bank stocks, and credit assessments on premiums written~~  
3           ~~in Louisiana by insurance companies and loan and finance companies. For purposes~~  
4           ~~of this Section, incorporeal movables shall have the meaning set forth in the~~  
5           ~~Louisiana Civil Code of 1870, as amended.~~

6           ~~(19) All artwork including sculptures, glass works, paintings, drawings,~~  
7           ~~signed and numbered posters, photographs, mixed media, collages, or any other item~~  
8           ~~which would be considered as the material result of a creative endeavor which is~~  
9           ~~listed as a consignment article by an art dealer.~~

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

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

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

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

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

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

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

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

11          ~~(F) Notwithstanding any contrary provision of this Section, the State Board~~  
12          ~~of Commerce and Industry or its successor, with the approval of the governor, may~~  
13          ~~enter into contracts for the exemption from ad valorem taxes of a new manufacturing~~  
14          ~~establishment or an addition to an existing manufacturing establishment, on such~~  
15          ~~terms and conditions as the board, with the approval of the governor, deems in the~~  
16          ~~best interest of the state.~~

17          ~~The exemption shall be for an initial term of no more than five calendar~~  
18          ~~years, and may be renewed for an additional five years. All property exempted shall~~  
19          ~~be listed on the assessment rolls and submitted to the Louisiana Tax Commission or~~  
20          ~~its successor, but no taxes shall be collected thereon during the period of exemption.~~

21          ~~The terms "manufacturing establishment" and "addition" as used herein mean~~  
22          ~~a new plant or establishment or an addition or additions to any existing plant or~~  
23          ~~establishment which engages in the business of working raw materials into wares~~  
24          ~~suitable for use or which gives new shapes, qualities or combinations to matter which~~  
25          ~~already has gone through some artificial process.~~

26          ~~(G) Coal or lignite stockpiled in Louisiana for use in Louisiana for industrial~~  
27          ~~or manufacturing purposes or for boiler fuel, gasification, feedstock, or process~~  
28          ~~purposes.~~



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

13           ~~(f)(1) Notwithstanding any contrary provision of this Section, the authority~~  
14           ~~or district charged with economic development of each parish is hereby authorized~~  
15           ~~to enter into contracts for the exemption from parish, municipal, and special ad~~  
16           ~~valorem taxes of goods held in inventory by distribution centers. In the absence of~~  
17           ~~the existence of an economic development authority or district, the parish governing~~  
18           ~~authority is authorized to grant contracts of exemption as are provided for in this~~  
19           ~~Paragraph.~~

20           ~~(2) The contract for exemption shall be on such terms and to the extent, up~~  
21           ~~to and including the full assessed valuation of the goods held in inventory, as the~~  
22           ~~economic development authority or district deems in the best interest of the parish.~~  
23           ~~However, prior to entering into each individual contract, the economic development~~  
24           ~~authority or district must request and receive written approval of the contract,~~  
25           ~~including its terms and an estimated fiscal impact, from each affected tax recipient~~  
26           ~~body in the parish, as evidenced by a favorable vote of a majority of the members of~~  
27           ~~the governing authority of the tax recipient body. Failure to receive all required~~  
28           ~~approvals from the tax recipient bodies before entering into a contract shall render~~  
29           ~~the contract null and void and of no effect.~~

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

7           ~~(J)(1) Drilling rigs used exclusively for the exploration and development of~~  
8           ~~minerals outside the territorial limits of the state in Outer Continental Shelf waters~~  
9           ~~which are within the state for the purpose of being stored or stacked for use outside~~  
10          ~~the territorial limits of the state, or for the purpose of being converted, renovated, or~~  
11          ~~repaired, and any property in the state for the purpose of being incorporated in, or to~~  
12          ~~be used in the operation of said drilling rigs.~~

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

16          ~~(K)(1)(a) In addition to the homestead exemption authorized pursuant to the~~  
17          ~~provisions of Section 20 of this Article, which applies to the first seven thousand five~~  
18          ~~hundred dollars of the assessed valuation of property, the next two thousand five~~  
19          ~~hundred dollars of the assessed valuation of property receiving the homestead~~  
20          ~~exemption that is owned and occupied by a veteran with a service-connected~~  
21          ~~disability rating of fifty percent or more but less than seventy percent by the United~~  
22          ~~States Department of Veterans Affairs shall be exempt from ad valorem taxation.~~  
23          ~~The surviving spouse of a deceased veteran with a service-connected disability rating~~  
24          ~~of fifty percent or more but less than seventy percent by the United States~~  
25          ~~Department of Veterans Affairs shall be eligible for this exemption if the surviving~~  
26          ~~spouse occupies and remains the owner of the property, whether or not the~~  
27          ~~exemption was in effect on the property prior to the death of the veteran. If property~~  
28          ~~eligible for the exemption provided for in this Subsubparagraph has an assessed~~

1 value in excess of ten thousand dollars, ad valorem property taxes shall apply to the  
2 assessment in excess of ten thousand dollars.

3 ~~(b) In addition to the homestead exemption authorized pursuant to the~~  
4 ~~provisions of Section 20 of this Article, which applies to the first seven thousand five~~  
5 ~~hundred dollars of the assessed valuation of property, the next four thousand five~~  
6 ~~hundred dollars of the assessed valuation of property owned and occupied by a~~  
7 ~~veteran with a service-connected disability rating of seventy percent or more but less~~  
8 ~~than one hundred percent by the United States Department of Veterans Affairs shall~~  
9 ~~be exempt from ad valorem taxation. The surviving spouse of a deceased veteran~~  
10 ~~with a service-connected disability rating of seventy percent or more but less than~~  
11 ~~one hundred percent by the United States Department of Veterans Affairs shall be~~  
12 ~~eligible for this exemption if the surviving spouse occupies and remains the owner~~  
13 ~~of the property, whether or not the exemption was in effect on the property prior to~~  
14 ~~the death of the veteran. If property eligible for the exemption provided for in this~~  
15 ~~Subsubparagraph has an assessed value in excess of twelve thousand dollars, ad~~  
16 ~~valorem property taxes shall apply to the assessment in excess of twelve thousand~~  
17 ~~dollars.~~

18 ~~(c) In addition to the homestead exemption authorized pursuant to the~~  
19 ~~provisions of Section 20 of this Article, which applies to the first seven thousand five~~  
20 ~~hundred dollars of the assessed valuation of property, the remaining assessed~~  
21 ~~valuation of property receiving the homestead exemption that is owned and occupied~~  
22 ~~by a veteran with a service-connected disability rating of one hundred percent~~  
23 ~~unemployability or totally disabled by the United States Department of Veterans~~  
24 ~~Affairs shall be exempt from ad valorem taxation. The surviving spouse of a~~  
25 ~~deceased veteran with a service-connected disability rating of one hundred percent~~  
26 ~~unemployability or totally disabled by the United States Department of Veterans~~  
27 ~~Affairs shall be eligible for this exemption if the surviving spouse occupies and~~  
28 ~~remains the owner of the property, whether or not the exemption was in effect on the~~  
29 ~~property prior to the death of the veteran.~~

1           ~~(2) Notwithstanding any provision of this Constitution to the contrary, the~~  
2           ~~property assessment of a property for which an exemption established pursuant to~~  
3           ~~this Paragraph has been claimed, to the extent of the applicable exemption, shall not~~  
4           ~~be treated as taxable property for purposes of any subsequent reappraisals and~~  
5           ~~valuation for millage adjustment purposes pursuant to Section 23(B) of this Article.~~  
6           ~~The decrease in the total amount of ad valorem tax collected by a taxing authority~~  
7           ~~as a result of the exemption shall be absorbed by the taxing authority and shall not~~  
8           ~~create any additional tax liability for other taxpayers in the taxing district as a result~~  
9           ~~of any subsequent reappraisal and valuation or millage adjustment. Implementation~~  
10           ~~of the exemption authorized in this Paragraph shall neither trigger nor be cause for~~  
11           ~~a reappraisal of property or an adjustment of millages pursuant to the provisions of~~  
12           ~~Section 23(B) of this Article.~~

13           ~~(3) A trust shall be eligible for the exemption provided for in this Paragraph~~  
14           ~~as provided by law.~~

15           ~~(L)(1) Except as otherwise provided herein, property owned or leased by,~~  
16           ~~and used by, a targeted non-manufacturing business in the operation of its facility,~~  
17           ~~including buildings, improvements, equipment, and other property necessary or~~  
18           ~~beneficial to such operation, according to a program and pursuant to contracts of~~  
19           ~~exemption which contain such terms and conditions which shall be provided by law.~~  
20           ~~Land underlying the facility and other property pertaining to the facility on which ad~~  
21           ~~valorem taxes have previously been paid, inventories, consumables, and property~~  
22           ~~eligible for the manufacturing exemption provided by Paragraph (F) of this Section,~~  
23           ~~shall not be exempt under this Paragraph.~~

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

27           ~~(3) A targeted non-manufacturing business means at least fifty percent of~~  
28           ~~such business' total annual sales from a site or sites in the state is to out-of-state~~  
29           ~~customers or buyers, or to in-state customers or buyers but the product or service is~~

1        ~~resold by the purchaser to an out-of-state customer or buyer for ultimate use, or to~~  
2        ~~the federal government, or any combination thereof. The legislature may provide by~~  
3        ~~law for the inclusion of sales by affiliates when appropriate in making this fifty~~  
4        ~~percent determination.~~

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

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

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

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

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

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

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

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

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

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

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

4           ~~(ii) The surviving spouse has not remarried.~~

5           ~~(iii) The surviving spouse annually provides evidence of their eligibility for~~  
6           ~~the exemption in accordance with the requirements of Subparagraph (2) of this~~  
7           ~~Paragraph.~~

8           ~~(2) Each assessor shall establish a procedure whereby a person may annually~~  
9           ~~apply for the exemption. Eligibility for the exemption shall be established by the~~  
10           ~~production of documents and certification of information by the surviving spouse to~~  
11           ~~the assessor as follows:~~

12           ~~(a) In an initial application for the exemption, the surviving spouse shall~~  
13           ~~produce documentation issued by their deceased spouse's employer evidencing the~~  
14           ~~death.~~

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

18           ~~(3) Once an unmarried surviving spouse has qualified for and taken the~~  
19           ~~exemption, if the surviving spouse then acquires a different property which qualifies~~  
20           ~~for the homestead exemption, the surviving spouse shall be entitled to an exemption~~  
21           ~~on that subsequent homestead, the exemption being limited in value to the amount~~  
22           ~~of the exemption claimed on the prior homestead in the last year for which the~~  
23           ~~exemption was claimed. The assessor may require the submission of certain~~  
24           ~~information concerning the amount of the exemption on the prior homestead for~~  
25           ~~purposes of determining the extent of the exemption available for the subsequent~~  
26           ~~homestead.~~

27           ~~(4) A trust shall be eligible for the exemption provided for in this Paragraph~~  
28           ~~as provided by law.~~

1           ~~(N)(1) All property delivered to a construction project site for the purpose of~~  
2           ~~incorporating the property into any tract of land, building, or other construction as~~  
3           ~~a component part, including the type of property that may be deemed to be a~~  
4           ~~component part once placed on an immovable for its service and improvement~~  
5           ~~pursuant to the provisions of the Louisiana Civil Code of 1870, as amended. The~~  
6           ~~exemption provided for in this Paragraph shall be applicable until the construction~~  
7           ~~project for which the property has been delivered is complete. A construction project~~  
8           ~~shall be deemed complete when construction is finished to the extent that the project~~  
9           ~~can be used or occupied for its intended purpose. A construction project shall not be~~  
10           ~~deemed complete during its inspection, testing, or commissioning stages, as defined~~  
11           ~~by reasonable industry standards.~~

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

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

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

19           ~~(c) Any public service property, unless the public service property is~~  
20           ~~otherwise eligible for an exemption provided by any other provision of this~~  
21           ~~constitution.~~

22           ~~(O)(1) In addition to the homestead exemption authorized pursuant to the~~  
23           ~~provisions of Section 20 of this Article, which applies to the first seven thousand five~~  
24           ~~hundred dollars of the assessed valuation of property, a parish governing authority~~  
25           ~~may approve an ad valorem tax exemption of up to two thousand five hundred~~  
26           ~~dollars of the assessed valuation of property receiving the homestead exemption that~~  
27           ~~is owned and occupied by a qualified first responder.~~

28           ~~(2) For the purposes of this Paragraph, "first responder" shall mean a~~  
29           ~~volunteer firefighter who has completed within the tax year no fewer than twenty-~~

1 ~~four hours of firefighter continuing education and is an active member of the~~  
2 ~~Louisiana State Firemen's Association or is on the departmental personnel roster of~~  
3 ~~the Volunteer Firefighter Insurance Program of the office of state fire marshal. For~~  
4 ~~the purposes of this Paragraph, "first responder" shall also mean a full-time public~~  
5 ~~employee whose duties include responding rapidly to an emergency and who resides~~  
6 ~~in the same parish in which their employer is located. The term includes the~~  
7 ~~following:~~

8 ~~(a) Peace officer, which means any sheriff, police officer, or other person~~  
9 ~~deputized by proper authority to serve as a peace officer.~~

10 ~~(b) Fire protection personnel.~~

11 ~~(c) An individual certified as emergency medical services personnel.~~

12 ~~(d) An emergency response operator or emergency services dispatcher who~~  
13 ~~provides communication support services for an agency by responding to requests~~  
14 ~~for assistance in emergencies.~~

15 ~~(3) The exemption provided for in this Paragraph shall only apply in a parish~~  
16 ~~if it is approved by the parish governing authority.~~

17 ~~(4) Each tax assessor shall establish a procedure whereby a person may~~  
18 ~~annually apply for the exemption which shall include the production of documents~~  
19 ~~by the first responder. In the application for the exemption, the first responder shall~~  
20 ~~produce documentation issued by his employer evidencing employment for the~~  
21 ~~taxable period for which the exemption is being requested.~~

22 ~~(5) Notwithstanding any provision of this Constitution to the contrary, any~~  
23 ~~decrease in the total amount of ad valorem tax collected by the taxing authority as~~  
24 ~~a result of an ad valorem tax exemption granted pursuant to this Paragraph shall be~~  
25 ~~absorbed by the taxing authority and shall not create any additional tax liability for~~  
26 ~~other taxpayers in the taxing district as a result of any subsequent reappraisal and~~  
27 ~~valuation or millage adjustment. Implementation of the exemption authorized in this~~  
28 ~~Paragraph shall neither trigger nor be cause for a reappraisal of property or an~~  
29 ~~adjustment of millages.~~



1        §36. Ad valorem tax; Business inventory tax exemption prohibition

2                Section 36. Notwithstanding any provision of this constitution to the  
3        contrary, the legislature shall not enact any law mandating any taxing authority to  
4        exempt business inventory from ad valorem tax. For purposes of this Section,  
5        "business inventory" means the aggregate of those items of tangible personal  
6        property that are held for sale in the ordinary course of business, are currently in the  
7        process of production for subsequent sale, or are to physically become a part of the  
8        production of such goods.

9        §37. Ad Valorem Tax Exemption Funding

10               Section 37. There shall be a one-time payment from the Revenue  
11        Stabilization Trust Fund to each parish that elects to irrevocably exempt, in  
12        accordance with law, business inventory from ad valorem tax. Any payment made  
13        pursuant to this Section shall be disbursed by the treasurer to the tax collector of the  
14        parish. The tax collector shall distribute the monies pro rata to each taxing authority  
15        that levies an ad valorem tax within the parish. The amount of the payment shall be  
16        calculated as provided by law and certified by the Department of Revenue.  
17        Notwithstanding any provision of this constitution to the contrary, monies shall be  
18        disbursed by the treasurer to the collector within thirty days of receipt of a  
19        certification from the secretary of the Department of Revenue that the parish has  
20        irrevocably elected to exempt business inventory from ad valorem tax.

21        ~~§22. §38. No Impairment of Existing Taxes or Obligations~~

22               ~~Section 22. Section 38. This Part~~ Nothing in this constitution or in law shall  
23        not be applied in a manner which will (a) invalidate taxes authorized and imposed  
24        prior to the effective date of this constitution or (b) impair the obligations, validity,  
25        or security of any bonds or other debt obligations authorized prior to the effective  
26        date of this constitution or any amendment to this Article.

27        ~~§23. Adjustment of Ad Valorem Tax Millages~~

28               ~~Section 23.(A) First Adjustment. Prior to the end of the third year after the~~  
29        ~~effective date of this constitution, the assessors and the Louisiana Tax Commission~~

1 or its successor shall complete determination of the fair market value or the use value  
 2 of all property subject to taxation within each parish for use in implementing this  
 3 Article. Except as provided in this Section, the total amount of ad valorem taxes  
 4 collected by any taxing authority in the year in which Sections 18 and 20 of this  
 5 Article are implemented shall not be increased or decreased, because of their  
 6 provisions, above or below ad valorem taxes collected by that taxing authority in the  
 7 year preceding implementation. To accomplish this result, it shall be mandatory for  
 8 each affected taxing authority, in the year in which Sections 18 and 20 of this Article  
 9 are implemented, to adjust millages upwards or downwards without regard to millage  
 10 limitations contained in this constitution, and the maximum authorized millages shall  
 11 be increased or decreased, without further voter approval, in proportion to the  
 12 amount of the adjustment upward or downward. Thereafter, such millages shall  
 13 remain in effect unless changed as permitted by this constitution.

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

27 (C) Increases Permitted. Nothing herein shall prohibit a taxing authority  
 28 from collecting, in the year in which Sections 18 and 20 of this Article are  
 29 implemented or in any subsequent year, a larger dollar amount of ad valorem taxes

1 by (1) ~~levying additional or increased millages as provided by law or (2) placing~~  
 2 ~~additional property on the tax rolls. Increases in the millage rate in excess of the~~  
 3 ~~rates established as provided by Paragraph (B) above but not in excess of the prior~~  
 4 ~~year's maximum authorized millage rate may be levied by two-thirds vote of the total~~  
 5 ~~membership of a taxing authority without further voter approval but only after a~~  
 6 ~~public hearing held in accordance with the open meetings law; however, in addition~~  
 7 ~~to any other requirements of the open meetings law, public notice of the time, place,~~  
 8 ~~and subject matter of such hearing shall be published on two separate days no less~~  
 9 ~~than thirty days before the public hearing. Such public notice shall be published in~~  
 10 ~~the official journal of the taxing authority, and another newspaper with a larger~~  
 11 ~~circulation within the taxing authority than the official journal of the taxing~~  
 12 ~~authority, if there is one.~~

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

15 ~~§24. §39. Tax Assessors~~

16 ~~Section 24. Section 39.~~(A) Election; Term. A tax assessor shall be elected  
 17 by the electors of each parish. ~~His~~ The term of office shall be four years. ~~His~~ A tax  
 18 assessor's election, duties, and compensation shall be as provided by law.

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

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

24 ~~§25. §40. Tax Sales Administration~~

25 ~~Section 25. Section 40.~~(A) ~~Tax Sales~~ Immovables. (1) There shall be no  
 26 forfeiture of property for nonpayment of taxes. However, the assessment of ad  
 27 valorem taxes and other impositions on immovable property shall constitute a lien  
 28 and privilege on the property assessed in favor of the political subdivision to which

1 taxes and other impositions are owed. The legislature shall provide, by law, for the  
 2 efficient administration of tax sales, which shall include at a minimum:

3 (a) Imposition of interest on the delinquent taxes and other impositions not  
 4 to exceed one percent per month on a noncompounding basis.

5 (b) Imposition of penalty not to exceed five percent of the delinquent taxes  
 6 and other impositions.

7 (c) A period of time during which the lien cannot be enforced.

8 (d) A procedure for claiming the excess proceeds from the sale of the  
 9 property, as a result of the enforcement of the lien.

10 (2) The legislature may, by law, provide authority to the tax collector to  
 11 waive penalties for good cause.

12 ~~at the expiration of the year in which the taxes are due, the collector, without suit,~~  
 13 ~~and after giving notice to the delinquent in the manner provided by law, shall~~  
 14 ~~advertise for sale the property on which the taxes are due. The advertisement shall~~  
 15 ~~be published in the official journal of the parish or municipality, or, if there is no~~  
 16 ~~official journal, as provided by law for sheriffs' sales, in the manner provided for~~  
 17 ~~judicial sales. On the day of sale, the collector shall sell the portion of the property~~  
 18 ~~which the debtor points out. If the debtor does not point out sufficient property, the~~  
 19 ~~collector shall sell immediately the least quantity of property which any bidder will~~  
 20 ~~buy for the amount of the taxes, interest, and costs. The sale shall be without~~  
 21 ~~appraisalment. A tax deed by a tax collector shall be prima facie evidence that a valid~~  
 22 ~~sale was made.~~

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

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

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

10           ~~(3) In any parish other than Orleans, when such property sold is vacant~~  
11           ~~residential or commercial property which has been declared blighted, as defined by~~  
12           ~~R.S. 33:1374(B)(1) on January 1, 2013, or abandoned, as defined by R.S.~~  
13           ~~33:4720.59(D)(2) on January 1, 2013, it shall be redeemable for eighteen months~~  
14           ~~after the date of recordation of the tax sale by payment in accordance with~~  
15           ~~Subparagraph (1) of this Paragraph.~~

16           ~~(C) Annulment. No sale of property for taxes shall be set aside for any cause,~~  
17           ~~except on proof of payment of the taxes prior to the date of the sale, unless the~~  
18           ~~proceeding to annul is instituted within six months after service of notice of sale. A~~  
19           ~~notice of sale shall not be served until the final day for redemption has ended. It must~~  
20           ~~be served within five years after the date of the recordation of the tax deed if no~~  
21           ~~notice is given. The fact that taxes were paid on a part of the property sold prior to~~  
22           ~~the sale thereof, or that a part of the property was not subject to taxation, shall not~~  
23           ~~be cause for annulling the sale of any part thereof on which the taxes for which it~~  
24           ~~was sold were due and unpaid. No judgment annulling a tax sale shall have effect~~  
25           ~~until the price and all taxes and costs are paid, and until ten percent per annum~~  
26           ~~interest on the amount of the price and taxes paid from date of respective payments~~  
27           ~~are paid to the purchaser; however, this shall not apply to sales annulled because the~~  
28           ~~taxes were paid prior to the date of sale.~~

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

3           ~~(E)(B)(1) Movables; Tax Sales. When taxes on movables are delinquent, the~~  
4           ~~tax collector shall seize and sell sufficient movable property of the delinquent~~  
5           ~~taxpayer to pay the tax, whether or not the property seized is the property which was~~  
6           ~~assessed. Sale of the property shall be at public auction, without appraisal, after~~  
7           ~~ten days advertisement, published within ten days after date of seizure. It shall be~~  
8           ~~absolute and without redemption.~~

9           ~~(2) If the tax collector can find no corporeal movables of the delinquent to~~  
10           ~~seize, he may levy on incorporeal rights, by notifying the debtor thereof, or he may~~  
11           ~~proceed by summary rule in the courts to compel the delinquent to deliver for sale~~  
12           ~~property in his possession or under his control.~~

13           ~~(F)(C) Postponement of Taxes. The legislature may postpone the payment~~  
14           ~~of taxes, but only in cases of an emergency declared by the governor or a parish~~  
15           ~~president pursuant to the Louisiana Homeland Security and Emergency Assistance~~  
16           ~~and Disaster Act, overflow, general conflagration, general crop destruction, or other~~  
17           ~~public calamity, and may provide for the levying, assessing, and collecting of such~~  
18           ~~postponed taxes. In such case, the legislature may authorize the borrowing of money~~  
19           ~~by the state on its faith and credit, by bond issue or otherwise, and may levy taxes,~~  
20           ~~or apply taxes already levied and not appropriated, to secure payment thereof, in~~  
21           ~~order to create a fund from which loans may be made through the Interim Emergency~~  
22           ~~Board to the governing authority of the parish where ~~the calamity occurs~~ taxes are~~  
23           ~~postponed. The money loaned shall be applied to and shall not exceed the deficiency~~  
24           ~~in revenue of the parish or a political subdivision therein or of which the parish is a~~  
25           ~~part, caused by postponement of taxes. No loan shall be made to a parish governing~~  
26           ~~authority without the approval of the Interim Emergency Board.~~

## 1 PART III. REVENUE SHARING

2 ~~§26. §41.~~ Revenue Sharing Fund3 ~~Section 26. Section 41.~~(A) Creation of Fund. The Revenue Sharing Fund is  
4 created as a special fund in the state treasury.5 (B) Annual Allocation. The sum of ninety million dollars is shall be  
6 allocated annually from the state general fund to the revenue sharing fund. The  
7 legislature may appropriate additional sums to the fund.8 (C) Distribution Formula. The revenue sharing fund shall be distributed  
9 annually as provided by law solely on the basis of population and number of  
10 homesteads in each parish in proportion to population and the number of homesteads  
11 throughout the state. Unless otherwise provided by law, population statistics of the  
12 last federal decennial census shall be utilized for this purpose. After deductions in  
13 each parish for retirement systems and commissions as authorized by law, the  
14 remaining funds, to the extent available, shall be distributed by first priority to the  
15 tax recipient bodies within the parish, as defined by law, to offset current losses  
16 because of the homestead exemptions granted exemption permitted in this Article.  
17 Any balance remaining in a parish distribution shall be allocated to the  
18 municipalities and tax recipient bodies within each parish as provided by law.19 (D) Distributing Officer. The funds distributed to each parish as provided  
20 in Paragraph (C) shall be distributed in Orleans Parish by the city treasurer of New  
21 Orleans and in all other parishes by the parish tax collector. The funds allocated to  
22 the Monroe City School Board or its successor shall be distributed to and by the city  
23 treasurer of Monroe.24 (E) Bonded Debt. A political subdivision, as defined by Article VI of this  
25 constitution, may incur debt by issuing negotiable bonds and may pledge for the  
26 payment of all or part of the principal and interest of such bonds the proceeds  
27 derived or to be derived from that portion of the funds received by it from the  
28 revenue sharing fund, to offset current losses caused by the homestead exemptions  
29 ~~granted exemption permitted~~ by this Article. Unless otherwise provided by law, no





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

10 (B)(1) ~~Except as provided for in Subparagraph (2) of this Paragraph, the~~  
11 ~~monies in the trust fund shall be appropriated or dedicated solely and exclusively for~~  
12 ~~the costs for and associated with construction and maintenance of the roads and~~  
13 ~~bridges of the state and federal highway systems, the Statewide Flood-Control~~  
14 ~~Program or its successor, ports, airports, transit, and the Parish Transportation Fund~~  
15 ~~or its successor and for the payment of all principal, interest, premium, if any, and~~  
16 ~~other obligations incident to the issuance, security, and payment in respect of bonds~~  
17 ~~or other obligations payable from the trust fund as authorized in Paragraph (D) of~~  
18 ~~this Section. Unless pledged to the repayment of bonds authorized in Paragraphs (C)~~  
19 ~~or (D) of this Section, the monies in the trust fund allocated to ports, airports, flood~~  
20 ~~control, parish transportation, and state highway construction shall be appropriated~~  
21 ~~annually by the legislature only pursuant to programs established by law which~~  
22 ~~establish a system of priorities for the expenditure of such monies, except that the~~  
23 ~~Transportation Infrastructure Model for Economic Development, which shall include~~  
24 ~~only those projects enumerated in House Bill 17 of the 1989 First Extraordinary~~  
25 ~~Session of the Legislature and US Highway 61 from Thompson Creek to the~~  
26 ~~Mississippi Line, in lieu of "US 61-Bains to Mississippi Line", and US Highway 165~~  
27 ~~from I-10 to Alexandria to Monroe to Bastrop and thence on US Highway 425 from~~  
28 ~~Bastrop to the Arkansas Line, in lieu of "US 165-I-10 Alexandria-Monroe-Bastrop-~~  
29 ~~Arkansas Line" and LA 15-Natchez, Mississippi to Chase in lieu of "LA 15-Natchez,~~

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

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

24 (C) The State Bond Commission or its successor, may issue and sell bonds,  
25 notes, or other obligations ("Bonds") secured by a pledge of a portion of the revenues  
26 not to exceed the avails of four cents per gallon of the taxes on gasoline and motor  
27 fuels and on special fuels received by the state treasurer. Bonds so issued may also  
28 be secured by a pledge of all or a portion of excess revenues as additional security  
29 therefor, and if so pledged any portion thereof needed to pay principal, interest, or

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

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

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

24                               ~~PART V.~~ PART IV. UNCLAIMED PROPERTY

25       ~~§28.~~ §42. Louisiana Unclaimed Property Permanent Trust Fund

26               ~~Section 28.~~ Section 42.(A) Creation of Fund. (1) Effective July 1, 2021, there  
 27       shall be established in the state treasury as a special permanent trust fund, the  
 28       Louisiana Unclaimed Property Permanent Trust Fund, referred to in this Section as

1 the "UCP Permanent Trust Fund". No appropriation shall be made from the UCP  
2 Permanent Trust Fund.

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

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

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

20 (B) Investment and Administration. The money credited to the UCP  
21 Permanent Trust Fund pursuant to Paragraph (A) of this Section shall be permanently  
22 credited to the UCP Permanent Trust Fund and shall be invested by the treasurer.  
23 Notwithstanding any provision of this constitution to the contrary, a portion of  
24 money in the UCP Permanent Trust Fund, not to exceed fifty percent of the money  
25 in the UCP Permanent Trust Fund, may be invested in equities. The legislature shall  
26 establish by law procedures for the investment of such monies. The treasurer may  
27 contract, subject to the approval of the State Bond Commission, for the management  
28 of such investments. Investment earnings shall be available for appropriation to pay

1 expenses incurred in the investment and management of the UCP Permanent Trust  
2 Fund.

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

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

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

10 ~~(2) Notwithstanding the provisions of Subparagraph (1) of this Paragraph, not~~  
11 ~~less than sixty days prior to the beginning of the 2022 Regular Session of the~~  
12 ~~legislature, the state treasurer shall submit to the legislature and the governor a report~~  
13 ~~of the following:~~

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

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

17 ~~(3)~~ (2) If unclaimed property claims exceed receipts, the state treasurer shall  
18 certify the amount needed to pay received claims and shall allocate sufficient funds  
19 from the UCP Permanent Trust Fund to pay that amount. The state treasurer shall  
20 also immediately notify the legislature and governor of the amount transferred from  
21 the UCP Permanent Trust Fund and amount remaining in the UCP Permanent Trust  
22 Fund.

23 (D) Private Property. Property received by the state pursuant to the Uniform  
24 Unclaimed Property Act of 1997 or its successor and deposited into the UCP  
25 Permanent Trust Fund is private property held in trust until a claim is made for it by  
26 the owner.

27 Section 2. Article VII, Sections 2.1, 2.2, 2.3, 4.1, 10.1 through 10.3, 10.5 through  
28 10.9, 10.11 through 10.16, and 10-A of the Constitution of Louisiana are hereby repealed  
29 in their entirety.

1 Section 3. Notwithstanding any provision of this Act to the contrary, for the  
2 remainder of Fiscal Year 2024-2025, in addition to the revenues dedicated by Art. VII,  
3 Section 15(A)(1) and (3) through (5) of this constitution as provided in this Act, any  
4 revenues received in Fiscal Year 2024-2025 by the state after the effective date of this  
5 Section in excess of nine hundred fifty million dollars as a result of the production of or  
6 exploration for minerals, hereinafter referred to as mineral revenues, including severance  
7 taxes, royalty payments, bonus payments, or rentals, and excluding such revenues designated  
8 as nonrecurring pursuant to Article VII, Section 14(B) of the constitution as provided in this  
9 Act, any such revenues received by the state as a result of grants or donations when the terms  
10 or conditions thereof require otherwise, and revenues derived from any tax on the  
11 transportation of minerals, shall be deposited into the Budget Stabilization fund after the  
12 following allocations of the mineral revenues have been made:

13 (A) To the Bond Security and Redemption Fund as provided by Article VII, Section  
14 13(B) of this constitution, as provided in this Act.

15 (B) To the political subdivisions as provided in Article VII, Sections 8 (B) and (C)  
16 of this constitution, as provided in this Act.

17 (C) To the Louisiana Wildlife and Fisheries Conservation Fund, as provided by law.

18 Section 4. Notwithstanding any provision of this Act to the contrary, for Fiscal Year  
19 2024-2025, the annual appropriation from the Transportation Trust Fund for airports shall  
20 be a sum equal to, but not greater than, the annual estimated revenue to be derived from the  
21 state taxes to be collected and received on aviation fuel.

22 Section 5. Within two weeks of the effective date of this Act, the Department of  
23 Education shall coordinate with the Department of Treasury to certify amounts maintained  
24 in the Education Excellence Fund held to the credit of a political subdivision or school.  
25 Notwithstanding any provision of this Act or law to the contrary, including Act 4 of the 2024  
26 regular session of the legislature, the department shall, within three weeks of the effective  
27 date of this Act, withdraw an amount equal to the aggregate balances certified pursuant to  
28 the provisions of this Section and prior to the end of fiscal year 2024-2025 remit to each  
29 entity its certified amount. Notwithstanding any provision of this constitution or law to the

1 contrary, monies withdrawn from the treasury pursuant to the provisions of this Section may  
2 be held in an escrow account at a fiscal agent bank, as defined by law, until expended.

3 Section 6. Within two weeks of the effective date of this Act, the State Board of  
4 Elementary and Secondary Education and the Board of Regents shall each coordinate with  
5 the Department of Treasury to certify amounts maintained in the Louisiana Quality  
6 Education Support Fund held to the agency's credit within the fund. Notwithstanding any  
7 provision of this Act or law to the contrary, including Act 4 of the 2024 regular session of  
8 the legislature, each such agency shall, within three weeks of the effective date of this Act,  
9 withdraw an amount from the fund equal to its certified balance. Notwithstanding any  
10 provision of this constitution or law to the contrary, monies withdrawn from the treasury  
11 pursuant to the provisions of this Section may be held in an escrow account at a fiscal agent  
12 bank, as defined by law, until expended.

13 Section 7.(A) Notwithstanding any provision of this Act to the contrary, any transfer  
14 to the Teachers' Retirement System of Louisiana pursuant to the provisions of this Act shall  
15 be net of amounts needed to satisfy the requirements Sections 5 and 6 of this Act and  
16 amounts needed to satisfy current year appropriations from the following funds:

- 17 (1) Louisiana Education Quality Trust Fund.  
18 (2) Louisiana Quality Education Support Fund.  
19 (3) Education Excellence Fund.

20 (B) Unexpended monies in each of the funds listed in Paragraph (A) of this Section  
21 shall be transferred to the state general fund on July 1, 2025. No appropriation from any  
22 such fund from the current fiscal year shall be carried forward to next fiscal year.

23 Section 8. Notwithstanding any provision of law to the contrary, after the effective  
24 date of this Act, unless or until directed otherwise by law the treasurer shall deposit into the  
25 state general fund any monies that would have been deposited in or credited to the following  
26 funds:

- 27 (A) Louisiana Education Quality Trust Fund.  
28 (B) Louisiana Quality Education Support Fund.  
29 (C) Mineral Revenue Audit and Settlement Fund.

1 (D) Education Excellence Fund.

2 Section 9. Be it further resolved that this proposed amendment shall be submitted  
3 to the electors of the state of Louisiana at the statewide election to be held on March 29,  
4 2025.

5 Section 10.(A) Be it further resolved that, if the electors of the state **adopt** an  
6 amendment on December 7, 2024, amending Article VII, Section 25 of the Constitution of  
7 Louisiana, then on the official ballot to be used at the March 29, 2025 election, there shall  
8 be printed a proposition, upon which the electors of the state shall be permitted to vote YES  
9 or NO, to amend the Constitution of Louisiana, which proposition shall read as follows:

10 Do you support an amendment to revise Article VII of the Constitution of  
11 Louisiana, including revisions to modify the legislature's authority to enact  
12 or change certain measures; require the state to pay certain retirement debt  
13 of the Teachers' Retirement System of Louisiana; require payment of a  
14 permanent salary increase to certain school personnel from savings  
15 attributable to payment of retirement debt; require certain substantive  
16 provisions be provided for by law rather than in the constitution; preserve  
17 taxes imposed and bonds authorized prior to any change in Article VII;  
18 repeal minimum rate for certain taxes; provide for ownership of monies  
19 collected by the state on behalf of others; modify authority of political  
20 subdivisions to levy certain kinds of taxes; modify calculation and remittal  
21 of severance taxes; modify provisions regarding calculation of ad valorem  
22 tax liability; authorize the legislature to provide for certain aspects of ad  
23 valorem taxation by law; repeal provisions authorizing contractual exceptions  
24 from ad valorem tax in certain circumstances; authorize payment from the  
25 Revenue Stabilization Trust Fund to each parish that exempts business  
26 inventory from ad valorem tax; create new classes of funds in the state  
27 treasury and provide requirements and restrictions thereon; designate certain  
28 existing funds as members of such new classes; repeal certain funds in their  
29 entirety; remove certain funds from the constitution; modify operation of



1 certain funds remaining in the constitution; to restrict the legislature's ability  
2 to appropriate certain funds in certain circumstances; repeal provisions  
3 relative to dedication of certain mineral revenues; and make technical and  
4 conforming changes? (Amends Article VII, Sections 1 through 28; Adds  
5 Article VII, Sections 29 through 42)

6 (B) Be it further resolved that, if the electors of the state **reject** an amendment on  
7 December 7, 2024, amending Article VII, Section 25 of the Constitution of Louisiana, then  
8 on the official ballot to be used at the March 29, 2025 election, there shall be printed a  
9 proposition, upon which the electors of the state shall be permitted to vote YES or NO, to  
10 amend the Constitution of Louisiana, which proposition shall read as follows:

11 Do you support an amendment to revise Article VII of the Constitution of  
12 Louisiana, including revisions to modify the legislature's authority to enact  
13 or change certain measures; require the state to pay certain retirement debt  
14 of the Teachers' Retirement System of Louisiana; require payment of a  
15 permanent salary increase to certain school personnel from savings  
16 attributable to payment of retirement debt; require certain substantive  
17 provisions be provided for by law rather than in the constitution; preserve  
18 taxes imposed and bonds authorized prior to any change in Article VII;  
19 repeal minimum rate for certain taxes; provide for ownership of monies  
20 collected by the state on behalf of others; modify authority of political  
21 subdivisions to levy certain kinds of taxes; modify calculation and remittal  
22 of severance taxes; modify provisions regarding calculation of ad valorem  
23 tax liability; authorize the legislature to provide for certain aspects of ad  
24 valorem taxation by law; repeal provisions authorizing contractual exceptions  
25 from ad valorem tax in certain circumstances; authorize payment from the  
26 Revenue Stabilization Trust Fund to each parish that exempts business  
27 inventory from ad valorem tax; create new classes of funds in the state  
28 treasury and provide requirements and restrictions thereon; designate certain  
29 existing funds as members of such new classes; repeal certain funds in their

1 entirety; remove certain funds from the constitution; modify operation of  
 2 certain funds remaining in the constitution; to restrict the legislature's ability  
 3 to appropriate certain funds in certain circumstances; repeal provisions  
 4 relative to dedication of certain mineral revenues; modify provisions  
 5 regarding tax sales for nonpayment of property taxes; and make technical and  
 6 conforming changes? (Amends Article VII, Sections 1 through 28; Adds  
 7 Article VII, Sections 29 through 42)

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 7 Reengrossed                      2024 Third Extraordinary Session                      Emerson

**Abstract:** Revises Article VII of the Constitution of La. relative to revenue and finance.

Present constitution (Article XIII, §1) authorizes revision of present constitution by joint resolution. Authorizes revision of an entire article of present constitution in one instrument, which may contain multiple objects. Authorizes repeal of a Section or subdivision by reference. Proposed constitutional amendment retains present constitution.

Proposed constitutional amendment, as more fully described below, revises Article VII of the state constitution relative to revenue and finance.

**POWER TO TAX**

Present constitution (Art. VII, §1) vests the power of taxation in the legislature and prohibits the judicial branch from exercising this power through court order. Proposed constitutional amendment retains present constitution.

Present constitution (Art. VII, §2) requires a law enacted by a 2/3 vote of the legislature to levy a new tax, increase an existing tax, or repeal an existing tax exemption. Proposed constitutional amendment retains present constitution and further requires enactment by a 2/3 vote of the legislature for the enactment of an exemption, exclusion, deduction, credit, or rebate or an increase in the amount of a deduction, credit, or rebate.

Present constitution (Art. VII, §2.1) provides requirements for enactment of new fees or civil fines or increases in existing fees or civil fines imposed by the state or any board, department, or agency thereof. Proposed constitutional amendment redesignates present constitution as Art. VII, §3 and otherwise retains present constitution.

Present constitution (Art. VII, §2.2) establishes limitations on the state's authority to levy sales and use taxes on food for home consumption (as defined by law); natural gas, electricity, and water sold directly to the consumer for residential use; and prescription drugs. Proposed constitutional amendment redesignates present constitution as Art. VII, §4 and prohibits the state and any political subdivision from levying sales and use tax or ad valorem tax on prescription drugs on or after July 1, 2025. Otherwise retains present constitution. Further provides that the sales and use tax levied by a political subdivision shall apply to any sale at retail, use, lease, rental, consumption, or storage as required by law.

Present constitution (Art. VII, §2.3) prohibits new taxes or fees upon the sale or transfer of immovable property after Nov. 30, 2011. Proposed constitutional amendment redesignates present constitution as Art. VII, §5 and otherwise retains present constitution. Moves present constitution (Art. VII, §4) prohibition on the levy of severance, income, inheritance, or motor fuel taxes by a political subdivision to proposed constitutional amendment §5. Otherwise retains said prohibition. Further prohibits the enactment on and after Jan. 1, 2026, of any new sales and use tax exemption, exclusion, credit, rebate, or refund unless it is applicable to both the state and political subdivisions.

Present constitution (Art. VII, §3) requires the legislature to prohibit the issuance of process to restrain the collection of any tax. Requires the prompt remittance to political subdivisions of funds collected by the single collector or centralized collection arrangement. Authorizes the legislature to provide by law for the collection of sales and use taxes levied by political subdivisions or by a central collection commission in parishes where a single collector has not been established. Proposed constitutional amendment redesignates present constitution as Art. VII, §6 and otherwise retains present constitution. Present constitution requires a single collector for each parish for sales and use taxes levied by political subdivisions in said parish prior to July 1, 1992. Proposed constitutional amendment repeals present constitution. Further provides that revenues collected by the state on behalf of a taxing authority are not state money, are to be held in trust, and are property of the taxing authority which imposed the tax. Prohibits commingling of such monies with state monies. Require remittal to the owner of the taxes within 30 days of collection.

#### INCOME TAXES

Present constitution (Art. VII, §4) authorizes levy of income tax and establishes a maximum rate. Proposed constitutional amendment redesignates present constitution as Art. VII, §7 and retains present constitution. Present constitution authorizes federal income taxes paid as an allowed deductible in the computation of state income taxes for the same period. Proposed constitutional amendment repeals present constitution. Proposed constitutional amendment further provides that for tax years beginning after Dec. 31, 2025, a person sixty-five years of age or older is entitled to an additional standard deduction equal to the amount applicable for a single individual provided by law (R.S. 47:294).

#### SEVERANCE TAXES

Present constitution (Art. VII, §4) authorizes the levy of taxes by the state on natural resources severed from the soil or water. Proposed constitutional amendment redesignates the severance tax provisions as Art. VII, §8 and otherwise retains this authorization. Present constitution establishes specific authorizations, requirements, and prohibitions regarding the levy of severance taxes by the state. Proposed constitutional amendment repeals these authorizations, requirements, and prohibitions. Present constitution further provides that the presence of oil or gas or the production thereof may be included in the methodology to determine the fair market value of an oil or gas well for ad valorem taxes. Proposed constitutional amendment repeals this authorization.

Present constitution (Art. VII, §4) requires remittal of certain portions of sulphur severance, lignite severance, timber severance, and other natural resources (other than sulphur, lignite, or timber) to the governing authority of the parish in which severance or production occurs. Proposed constitutional amendment retains present constitution (as Art. VII, §8). Present constitution establishes specific allocations of severance taxes (and monetary caps on such allocations) that are to be remitted pursuant to present constitution, based on when the allocation is made. Pursuant to present constitution, governing authorities are to receive the following:

- (1) 1/3 of the sulphur severance tax, not to exceed \$100,000.
- (2) 1/3 of the lignite severance tax, not to exceed \$100,000.

- (3) 1/5 of the severance tax on all natural resources other than sulphur, lignite, or timber, not to exceed \$850,000; however, this cap is increased each year since 2008, by an amount equal to the average annual increase in the Consumer Price Index for all urban consumers.
- (4) 3/4 of the timber severance, without cap.

Present constitution further provides for revised distribution of such severance taxes, beginning with the first official forecast that shows severance tax revenues from natural resources other than sulphur, lignite, or timber exceed the actual severance tax revenues from such resources collected in FY 2008-2009. Proposed constitutional amendment repeals these allocations and caps and the revised distribution schedule and establishes the allocation as follows:

- (1) 1/3 of the sulphur severance tax.
- (2) 1/3 of the lignite severance tax.
- (3) 1/5 of the severance tax on all natural resources other than sulphur, lignite, or timber.
- (4) 3/4 of the timber severance tax.

Further authorizes the legislature, by law, to do any of the following:

- (1) Increase or decrease the proportion of tax avails to be remitted for any of the severance taxes allocated in proposed constitutional amendment.
- (2) Establish an annual maximum that may be remitted for any of the severance taxes.

Present constitution dedicates 1/10 of the royalties from mineral leases on state-owned land and lake and river beds and other water bottoms belonging to the state to the governing authority of the parish in which severance or production occurs. Further authorizes the governing authority to fund such royalties into general obligation bonds. Proposed constitutional amendment retains present constitution.

### **CIGARETTE TAX**

Present constitution (Art. VII, §4.1) establishes a minimum rate for taxes levied on cigarettes. Proposed constitutional amendment repeals present constitution.

### **MOTOR VEHICLE LICENSE TAX**

Present constitution (Art. VII, §5) authorizes the imposition of an annual license tax by the state on automobiles for private use. Prohibits parishes and municipalities from levying such a tax. Proposed constitutional amendment redesignates present constitution as Art. VII, §9 and otherwise retains present constitution. Present constitution establishes requirements and restrictions relative to such tax. Dedicates revenues from such tax, after payment of other obligations, to the Transportation Trust Fund. Proposed constitutional amendment repeals present constitution.

### **BONDS**

Present constitution (Art. VII, §6) limits the power of the state to issue bonds, except in certain circumstances. Provides for the pledge of the full faith and credit of the state to the repayment of its bonds. Requires a 2/3 vote of the legislature to propose a statewide referendum to authorize incurrence of debt for any purpose for which the legislature is not authorized to incur debt by present constitution. Provides for limitations and exceptions.

Proposed constitutional amendment redesignates present constitution as Art. VII, §10 and otherwise retains present constitution.

Present constitution (Art. VII, §7) establishes the Interim Emergency Board to make appropriations from the state general fund or borrow on the full faith and credit of the state in certain circumstances. Provides for the composition and powers of the Board including limits on its authority. Proposed constitutional amendment redesignates present constitution as Art. VII, §11 and otherwise retains present constitution.

Present constitution (Art. VII, §8) establishes the State Bond Commission and authorizes provision for its membership and authority by law. Requires prior written approval of the Commission before any bond or other obligation can be issued or sold, directly or indirectly, by the state. Further establishes requirements for issuing and challenging the validity of such bonds. Proposed constitutional amendment redesignates present constitution as Art. VII, §12 and otherwise retains present constitution.

### STATE MONIES

Present constitution (Art. VII, §9) requires all money received by the state or any state board, agency, or commission to be deposited immediately upon receipt into the state treasury. Provides exceptions for certain specific classes of revenue. Establishes the Bond Security and Redemption Fund and, with certain exceptions, requires all state money deposited in the treasury to be credited to such fund. Proposed constitutional amendment redesignates present constitution as Art. VII, §13 and otherwise retains present constitution.

Present constitution (Art. VII, §10) establishes the Revenue Estimating Conference and provides for its composition and powers. Requires the Conference to adopt an official forecast of revenues to be received by the state general fund and dedicated funds and to revise such estimate as necessary. Further requires revenues in such forecast to be designated as either recurring or nonrecurring. Proposed constitutional amendment redesignates present constitution as Art. VII, §14 and otherwise retains present constitution.

#### (a) Expenditure Limit

Present constitution (Art. VII, §10) requires the legislature to provide for the determination of an expenditure limit for each fiscal year. Caps annual growth of the limit at the average annual percentage rate of change of personal income for La. as defined and reported by the U.S. Dept. of Commerce for the three calendar years prior to the fiscal year for which the limit is calculated. Authorizes the legislature to change the limit in any fiscal year by a favorable vote of two-thirds of the elected members of each house. Requires any change in the expenditure limit to be approved by passage of a specific legislative instrument which clearly state the intent to change the limit. Proposed constitutional amendment retains present constitution.

Present constitution (Art. VII, §10) establishes an exception to the expenditure limit for funds allocated by present constitution (Art. VII, §4). Proposed constitutional amendment makes technical change and otherwise retains present constitution.

#### (b) Government Growth Limit

Proposed constitutional amendment establishes the Government Growth Limit ("growth limit") for Fiscal Year 2025-2026 and for each fiscal year thereafter. Except in certain limited circumstances provided in proposed constitutional amendment, prohibits spending of recurring revenues above such limit. Requires the Revenue Estimating Conference to adopt a growth limit no later than the first quarter of the calendar year for the ensuing fiscal year. Further requires the legislature to provide by law for a procedure to calculate such limit.

Proposed constitutional amendment requires that if the growth limit calculated for any fiscal year exceeds the expenditure limit calculated for the same fiscal year, the growth limit shall be equal to the expenditure limit for that fiscal year. Additionally provides that if the legislature lowers the expenditure limit in a fiscal year and the resulting limit is lower than the growth limit for that fiscal year, the growth limit for that fiscal year is automatically lowered to equal the expenditure limit set by the legislature.

Proposed constitution restricts appropriation of recurring revenue amounts recognized in the official forecast above the growth limit and below the expenditure limit to nonrecurring expenses. For the purposes of proposed constitutional amendment, the term "nonrecurring expense" means an expense that is not of a continuing or recurring character and that in the normal course of administration is not expected to be necessary in approximately the same amounts each year.

Proposed constitutional amendment provides that the growth limit does not apply to the appropriation of funds from the Budget Stabilization Fund incorporated into the official forecast for the current fiscal year.

Further authorizes the legislature to change a growth limit by a favorable vote of two-thirds of the elected members of each house if each of the growth factors for any of the three fiscal years immediately preceding the year to be changed was two and one-half percent or less. Requires any change to the limit be approved by passage of a specific legislative instrument which clearly states the intent to change the limit.

Proposed constitutional amendment exempts certain severance and royalty payments made pursuant to present constitution (Art. VII, §4(D) and (E)) from the provisions of proposed constitutional amendment.

#### (b) Appropriations

Present constitution (Art. VII, §10) requires an appropriation made in accordance with law to withdraw money from the state treasury. With specific exception for certain severance and royalty payments, prohibits appropriations from the state general fund and dedicated funds from exceeding the expenditure limit for the fiscal year. Proposed constitutional amendment makes technical changes and otherwise retains present constitution.

Present constitution (Art. VII, §10) restricts appropriation or allocation of any money designated in the official forecast as nonrecurring to six specific purposes:

- (1) Retiring or defeasance of bonds.
- (2) Providing payments against the unfunded accrued liability of public retirement systems. Requires at least 25% of nonrecurring monies to be appropriated to the state retirement systems for application to their oldest debt.
- (3) Funding for capital outlay projects in the comprehensive state capital budget.
- (4) For allocation or appropriation to the Budget Stabilization Fund.
- (5) For allocation or appropriation to the Coastal Protection and Restoration Fund.
- (6) For new highway construction for which federal matching funds are available.

Proposed constitutional amendment, with one change noted below, retains present constitution. Present constitution (Art. VII, §10.3), as will be discussed later, places a cap on the total amount of deposits that may be made into the Budget Stabilization Fund.

Proposed constitutional amendment authorizes deposits of nonrecurring monies into the Fund unless the deposit would cause the Fund's balance to exceed its constitutional cap.

(c) Supplemental Pay

Present constitution (Art. VII, §10) requires the legislature to provide by law for the payment by the state of supplements to the salaries of full-time local law enforcement and fire protection officers. Prohibits reduction of such payments. Requires the legislature to appropriate funds sufficient to fully fund the cost of such supplements. Authorizes the governor to reduce such appropriation in certain circumstances using means provided in the Act containing the appropriation. Proposed constitutional amendment retains present constitution.

(d) Budgets and Deficits

Present constitution (Art. VII, §10) prohibits appropriations from the state general fund and dedicated funds for any fiscal year (except for specific royalty and severance payments) from exceeding the official forecast in effect at the time the appropriations are made. Proposed constitutional amendment requires appropriations of recurring revenue from the state general fund and dedicated funds to comply with the provisions of the Government Growth Limit. Makes technical changes and otherwise retains present constitution.

Present constitution (Art. VII, §10) requires the legislature to establish a procedure to determine if appropriations will exceed the official forecast and a method for adjusting appropriations in order to eliminate a projected deficit. Once enacted, prohibits change to such procedures except by specific legislative instrument which receives a favorable vote of 2/3 of the legislature. Authorizes adjustments to constitutionally protected or mandated allocations or appropriations (and transfer of monies associated with such adjustments) in certain circumstances. Further grants authority to remediate projected deficits. Requires the governor to call a special session if necessary adjustments are not made to appropriations to eliminate a projected deficit within 30 days of its recognition. Proposed constitutional amendment retains present constitution.

Present constitution (Art. VII, §10) exempts certain funds and allocations from deficit avoidance procedures. Proposed constitutional amendment makes technical and conforming changes and otherwise retains present constitution.

Present constitution (Art. VII, §10) requires elimination of a year-end deficit no later than the end of the next fiscal year. Further requires the legislature to have published a regular statement of receipts and expenditures of all state money at least annually. Prohibits appropriation except for a public purpose. Proposed constitutional amendment retains present constitution.

Present constitution defines "state general fund and dedicated funds" for the purposes of Article VII. Proposed constitutional amendment makes conforming change and otherwise retains present constitution.

### **BUDGET STABILIZATION FUND**

Present constitution (Art. VII, §10.3) establishes the Budget Stabilization Fund and provides for the deposit and uses of monies in the fund. Proposed constitutional amendment redesignates present constitution as §15 and retains authorized uses of monies in the fund. With respect to deposits into the fund, present constitution requires the following:

- (1) All money available for appropriation from the state general fund and dedicated funds in excess of the expenditure limit.
- (2) 25% of any money designated in the official forecast as non recurring.

- (3) Any money appropriated by to the fund by the legislature.
- (4) All remaining revenues received in each fiscal year by the state in excess of \$950 M as a result of the production of or exploration for minerals after certain required allocations. Further defines minerals for the purposes of present constitution. Authorizes the threshold amount to be increased under certain circumstances.
- (5) An amount equivalent to the money received by the state from the federal government for the reimbursement of costs associated with a federally declared disaster, not to exceed certain limits.

Proposed constitutional amendment, with the exception of deposit of mineral revenues as explained below, for both the current fiscal year and all out years retains present constitution regarding deposit of monies into the fund. With respect to the deposit of mineral revenues in the current fiscal year, proposed constitutional amendment (instrument Section 3) retains present constitution requirements, except with respect to the deposit of mineral revenues into the La. Education Quality Trust Fund (LEQTF) prior to deposit into the Budget Stabilization Fund, because the LEQTF is being repealed by proposed constitutional amendment. Beginning fiscal year 2025-2026, proposed constitutional amendment repeals present constitution requirements regarding deposit into the fund of mineral revenues above a certain threshold amount. Proposed constitutional amendment instead requires deposit of 15% of the corporation income and franchise tax revenues received in each fiscal year as recognized by the Revenue Estimating Conference and 15% of the remaining mineral revenues received each fiscal year by the state as a result of the production on minerals after allocations and deposits required by the constitution and law. Further provides that if the total amount of these revenues cannot be deposited due to the balance of the fund being at its constitutional cap, the remaining monies are required to be deposited into the state general fund and incorporated into the official forecast as nonrecurring revenues.

Proposed constitutional amendment defines "mineral revenues" for the purposes of proposed constitutional amendment to include severance taxes, royalty payments, bonus payments, or rentals, with the following exceptions:

- (1) Revenues designated as nonrecurring pursuant to proposed constitutional amendment (Art. VII, §14).
- (2) Revenues received by the state as a result of grants or donations when the terms or conditions thereof require otherwise.
- (3) Revenues derived from any tax on the transportation of minerals.

Present constitution prohibits use of monies in the fund unless certain conditions are met. Proposed constitutional amendment retains present constitution.

Present constitution requires monies in the fund to be invested as provided by law and earnings realized each fiscal year on such investment are to be deposited to the credit of the fund. Unexpended and unencumbered monies in the fund at the end of the fiscal year remain in the fund. Proposed constitutional amendment retains present constitution.

Present constitution prohibits use of more than 1/3 of the fund balance as of the beginning of the current fiscal year in any fiscal year. Proposed constitutional amendment retains present constitution.

Present constitution prohibits appropriation or deposit to the fund if it would cause the balance in the fund to exceed four percent of total state revenue receipts for the previous fiscal year. Proposed constitutional amendment increases this cap to seven and one-half of one percent of total state revenue receipts for the previous fiscal year.



**TRANSPORTATION TRUST FUND**

Present constitution (Art. VII, §27) establishes the Transportation Trust Fund and provides for deposit and use of monies in the fund. Requires deposit of remaining avails received each year from all taxes levied on gasoline and motor fuels and on special fuels after payment of certain bonded indebtedness. Requires monies in the fund to be used solely and exclusively for the costs for an associated with construction and maintenance of the roads and bridges of the state and federal highway systems, the Statewide Flood-Control Program or its successor, ports, airports, transit, and the Parish Transportation Fund and for the payment of any obligations incident to the issuance, security, and payment of bonds or other obligations payable from the trust. Authorizes the issuance of bonds secured by a pledge of a portion of the revenues deposited into the fund, not to exceed the avails of four cents per gallon. Provides requirements and restriction on the issuance of such bonds. Proposed constitutional amendment redesignates present constitution as Art. VII, §16, makes technical and conforming changes, and otherwise retains present constitution.

Present constitution establishes a Construction Subfund within the Transportation Trust Fund. Prohibits use of monies in the subfund for the payment of employee wages and related benefits or employee retirement benefits. Dedicates the avails of any new taxes that become effective and are levied on gasoline, motor fuels, or special fuels on or after July 1, 2017 to the Subfund. Proposed constitutional amendment repeals this dedication of revenue to the Subfund. Otherwise retains present constitution.

Present constitution requires an annual appropriation for airports to be a sum equal to, but not greater than, the annual estimated revenue to be derived from the state taxes to be collected and received on aviation fuel. Proposed constitutional amendment (instrument Section 4) retains present constitution for Fiscal Year 2024-2025. Beginning with the appropriation for Fiscal Year 2025-2026, proposed constitutional amendment requires that the annual appropriation for airports be calculated as provided by law.

**COASTAL PROTECTION AND RESTORATION FUND**

Present constitution (Art. VII, §10.2) establishes the Coastal Protection and Restoration Fund in the state treasury. Provides that monies in the fund may be appropriated for purposes consistent with the Coastal Protection Plan developed by the Coastal Protection and Restoration Authority, or its successor. Prohibits appropriation from the fund inconsistent with the purposes of such plan. Requires deposit into the fund of federal monies received each fiscal year received by the state generated from Outer Continental Shelf energy production, including oil and gas activity, solar energy, etc., and eligible as provided by federal law to be used for the purposes of the fund. Requires such federal monies to be used only for the purposes of coastal protection, including conservation, coastal restoration, hurricane protection, and infrastructure directly impacted by coastal wetland losses. Requires monies in the fund to be invested as provided by law and any earnings realized from such investment be deposited into the fund. Authorizes deposit into the account of donations, appropriations, and dedications. Requires any unexpended monies remaining in the fund at the end of the fiscal year be retained in the fund. Proposed constitutional amendment redesignates present constitution as Art. VII, §17 and otherwise retains these provisions of present constitution.

Present constitution requires the state treasurer to make certain allocations from certain revenues received in each fiscal year by the state as a result of the production of or exploration for minerals from severance taxes, royalty payments, bonus payments, or rentals. Once such allocations are done, present constitution further requires the treasurer to deposit into the Coastal Protection and Restoration Fund from remaining revenues an amount up to \$5 M, provided that the balance of the fund which consists of these mineral revenues shall not exceed an amount provided by law, which shall be no less than \$500 M. After such deposit, remaining revenues are deposited according to a threshold schedule; however, the

cap on the amount of the fund balance that may be comprised of mineral revenues (described above) applies. Proposed constitutional amendment repeals present constitution.

Present constitution exempts federal revenues deposited from Outer Continental Shelf activity from the fund's mineral revenue balance cap. Proposed constitutional amendment repeals present constitution.

Present constitution provides that if the state resecuritizes proceeds from the Tobacco Settlement Agreement after July 1, 2006, then 20% in the aggregate of the revenues received as a result of the securitization. Provides for use of such monies. Proposed constitutional amendment repeals present constitution.

## SPECIAL CLASSES OF TRUSTS AND FUNDS

### (a) Permanent Trust Funds

Proposed constitutional amendment (Art. VII, §18) authorizes the legislature to designate certain funds as "Permanent Trust Funds". Provides that any fund so designated is subject to the following restrictions:

- (1) Except for certain exceptions in proposed constitutional amendment, all funds deposited into a permanent trust fund shall constitute the trust's principal and shall be held in trust permanently and invested by the state treasurer as provided by law.
- (2) Removal of any portion of the principal, except for investment purposes as authorized by law, requires a constitutional amendment.
- (3) Interest and investment earnings from monies held in the fund may be dedicated as provided by law. Once such dedication is enacted, it cannot be changed except by a law enacted by the favorable vote of 2/3 of the members of each house of the legislature.
- (4) Unless provided otherwise by the constitution or by the provisions of the subfund, the provisions of proposed constitutional amendment apply to any subfund created within a permanent trust.
- (5) A fund's status as a permanent trust fund may only be changed by law enacted by the favorable vote of two-thirds of the elected members of each house of the legislature.

Proposed constitutional amendment further designates the Millennium Trust (proposed constitutional amendment Art. VII, §20) and the La. Unclaimed Property Permanent Trust Fund (proposed constitutional amendment Art. VII, §40) as a Permanent Trust Funds. Further authorizes any other trust designated by law to be a permanent trust fund.

### (b) Program Funds

Proposed constitutional amendment (Art. VII, §19) authorizes the legislature to create and designate funds as program funds by law enacted by the favorable vote of 2/3 of the elected members of each house of the legislature. Further prohibits any change to a program fund except by a law passed by the favorable vote of 2/3 of the members of each house of the legislature.

Further designates each of the following existing funds as program funds and authorizes the legislature to designate others by law:

- (1) The Artificial Reef Development Fund.
- (2) The Oil Spill Contingency Fund.

- (3) The Oilfield Site Restoration Fund.

### **LA. EDUCATION QUALITY TRUST FUND**

Present constitution (Art. VII, §10.1) establishes the LEQTF. Required certain portions of monies received by the state from a settlement with the federal government regarding mineral production activity or leasing activity on the Outer Continental Shelf be deposited into the LEQTF and held as part of a permanent trust fund. Further requires deposit into the permanent trust fund 25% of the interest income earned on investment of monies in the permanent trust fund, 75% of the realized capital gains on permanent trust fund monies, and 25% of dividend income earned on permanent trust fund monies be deposited into the permanent trust fund. Prohibits appropriation from the permanent trust fund.

Within the LEQTF, present constitution also established the "Support Fund" and requires deposit of 75% of the recurring revenues received pursuant to federal law (43 U.S.C. 1337(g)) which are attributable to mineral production activity or leasing activity. Further requires deposit of the percent remaining of the realized capital gains and interest income and dividend income earned on investment of the permanent trust fund.

Requires deposits in conformity with allocations described above until the balance in the permanent trust fund reaches \$2 B. Thereafter requires all interest earnings and all recurring revenues be credited to the Support Fund.

Requires monies in the permanent trust fund to be invested by the treasurer and authorizes up to 35% to be invested in stock. Authorizes monies in the Support Fund to be available to pay expenses incurred in the investment and management of the permanent trust fund and for educational purposes as provided in present constitution.

Present constitution requires the State Board of Elementary and Secondary Education (BESE) and the Board of Regents to submit annual reports to the legislature regarding proposed programs and budgets for monies in the Support Fund.

Present constitution authorizes appropriation from the Support Fund only for investment and management expenses and for educational purposes. Requires available monies to be appropriated equally between higher education and elementary and secondary education purposes. Requires appropriation of monies for educational purposes be made to the Board of Regents and BESE.

Present constitution prohibits monies appropriated from the Support Fund from displacing, replacing, or supplanting appropriations from the general fund for other educational purposes. With certain exceptions, prohibits appropriation of monies for any fiscal year from the Support Fund for any purpose for which a general fund appropriation was made in the previous year.

Present constitution provides a list of eligible purposes for monies appropriated to the Board of Regents from the Support Fund, including the endowment of chairs for eminent scholars and enhancing the quality of academic, research, or agricultural departments or unites within an institution. Provides a list of eligible purposes for monies appropriated to BESE from the Support Fund, including compensation to professional instructional employees, insuring adequate supply of instructional materials, and funding school remediation programs.

Proposed constitutional amendment repeals present constitution.

### **OILFIELD SITE RESTORATION FUND**

Present constitution (Art. VII, §10.6) establishes the Oilfield Site Restoration Fund within the state treasury. Requires deposit of certain revenues into the fund. Further requires monies in the fund be appropriated to the Dept. of Natural Resources (now the Dept. of

Energy and Natural Resources) for sole use for the programs and purposes of oilfield site restoration as required by law. Provides that unexpended and unencumbered monies in the fund at the end of the fiscal year remain in the fund. Requires investment of monies in the fund by the treasurer as provided by law. Requires all interest earned on fund monies be deposited into the fund. Requires the treasurer to prepare and submit to the department on a quarterly basis a printed report showing the amount of money in the fund from all sources. Exempts certain severance and royalty payments required by present constitution from the fund.

Proposed constitutional amendment repeals present constitution; however, proposed constitutional amendment additionally designates this fund as a program fund in §19, so it may continue in statute as a special class of protected fund.

### OIL SPILL CONTINGENCY FUND

Present constitution (Art. VII, §10.7) establishes the Oil Spill Contingency Fund within the state treasury. Requires deposit of certain revenues into the fund. Further requires monies in the fund be appropriated solely for the programs and purposes of abatement and containment of actual or threatened unauthorized discharges of oil as provided by law and for administrative expenses associated with such programs and purposes. Provides that unexpended and unencumbered monies in the fund at the end of the fiscal year remain in the fund. Requires investment of monies in the fund by the treasurer as provided by law. Requires all interest earned on fund monies be deposited into the fund. Prohibits the balance of the fund to exceed \$30 M or a balance established by law. Exempts certain severance and royalty payments required by present constitution from the fund.

Proposed constitutional amendment repeals present constitution; however, proposed constitutional amendment additionally designates this fund as a program fund in §19, so it may continue in statute as a special class of protected fund.

### MILLENNIUM TRUST

Present constitution (Art. VII, §10.8) establishes the Millennium Trust as a special permanent trust in the state treasury. Requires deposit of certain monies received by the state as a result of settling litigation against certain tobacco product manufacturers. Proposed constitutional amendment retains present constitution.

Present constitution establishes three funds within the Millennium Trust: the Health Excellence Fund, the Education Excellence Fund, and the TOPS Fund. As further explained below, proposed constitutional amendment makes structural changes to the Health Excellence and TOPS Funds and repeals the Education Excellence Fund in its entirety.

Present constitution requires deposit into the Millennium Trust of 75% of the total monies received each year. Proposed constitutional amendment retains present constitution. Present constitution requires that, beginning after the balance in the Millennium Trust reaches a total of \$1,380,000,000, monies deposited into the trust shall be allocated to the various funds within the trust in accordance with present constitution. Proposed constitutional amendment repeals present constitution and requires monies deposited into the trust from the settlement agreement be allocated to the TOPS Fund.

Present constitution provides that the amount of settlement agreement revenues deposited into the Millennium Trust and credited to the respective funds may be increased and the amount of such revenues deposited into the La. Fund may be decreased by a specific legislative instrument which receives a favorable vote of 2/3 of the legislature. Proposed constitutional amendment retains present constitution.

Present constitution requires the treasurer to invest monies credited to the Millennium Trust with the same authority and subject to the same restrictions as monies in the LEQTF.

Further provides that the portion of monies in the Millennium Trust that may be invested in stock may be increased to no more than 50% by a specific legislative instrument which receives the favorable vote of 2/3 of the legislature. Requires the legislature to provide for procedures for the investment of such monies by law. Authorizes the treasurer to contract (with State Bond Commission approval) for the management of such investments and may pay costs associated with such contract with an appropriation from the trust. Proposed constitutional amendment repeals present constitution.

(a) Health Excellence Fund

Present constitution requires the treasurer to credit to the Health Excellence Fund 1/3 of all investment earning on the investment of monies in the trust. Further requires deposit in the Health Excellence Fund of the revenues derived from the 4/20 of one cent per cigarette tax levied pursuant to present law (R.S. 47:841(B)(3)). Proposed constitutional amendment repeals present constitution and requires funding for the Health Excellence Fund to be provided by law, but prohibits any portion of the settlement agreement proceeds from being deposited into the fund. Present constitution requires the treasurer to report annually to the legislature as to the amount of investment earnings credited to the Health Excellence Fund. Proposed constitutional amendment repeals present constitution.

Present constitution limits appropriations from the Health Excellence Fund to an annual amount not to exceed the estimated aggregate annual earnings from interest, dividends, and realized capital gains on investment of the trust credited to the Health Excellence Fund and the amount of proceeds credited to the fund from the cigarette tax avails (R.S. 47:841(B)(3)). Proposed constitutional amendment repeals present constitution.

Present constitution restricts use of monies from the Health Excellence Fund to certain enumerated purposes, including initiatives to ensure the optimal development of La.'s children through the provision of appropriate health care and initiatives to benefit the citizens of La. with respect to health care. Proposed constitutional amendment retains present constitution.

(b) Education Excellence Fund

Present constitution requires the treasurer to credit to the Education Excellence Fund 1/3 of all investment earnings on the investment of monies in the trust.

Present constitution limits appropriations from the Education Excellence Fund to an annual amount not to exceed the estimated aggregate annual earnings from interest, dividends, and realized capital gains on investment of the trust allocated as provided in present constitution. Limits appropriation to those aggregate investment earnings which are in excess of an inflation factor as determined by the Revenue Estimating Conference. Limits the amount of realized capital gains on investment which may be included in the aggregate earnings available for appropriation from exceeding the aggregate of earnings from interest and dividends for that year.

Present constitution restricts use of monies from the Education Excellence Fund to certain enumerated purposes, including to the La. Educational Television Authority and certain special schools, for independent public schools approved by BESE, and for distribution to each city, parish, and other local school system on a pro rata basis based on a prescribed student population ratio. Further restricts expenditures to be for pre-kindergarten through twelfth grade instructional enhancement for students. Specifically prohibits expenditures for maintenance or renovation of buildings, capital improvements, and increases in employee salaries. Requires each recipient entity to annually prepare and submit to the state Dept. of Education a plan for expenditure of Education Excellence funds. Prohibits amounts appropriated pursuant to present constitution from displacing, replacing, or supplanting appropriations from the general fund for elementary and secondary education, including implementing the Minimum Foundation Program. Requires the treasurer to maintain a

record of the amounts appropriated that remain in the state treasury. Any such amounts, and investment earnings attributable to such amounts shall remain to the credit of each recipient entity at the close of each fiscal year.

Proposed constitutional amendment repeals present constitution.

(c) TOPS Fund

Present constitution requires the treasurer to credit to the TOPS Fund 100% of the settlement agreement proceeds deposited into the Millennium Trust. Proposed constitutional amendment retains present constitution. Present constitution further allocates 1/3 of all investment earnings on the investment of trust monies to the TOPS Fund. Proposed constitutional amendment repeals present constitution and instead provides that additional deposits may be made as provided by law. Present constitution requires the treasurer to report annually to the legislature as to the amount of investment earnings credited to the TOPS Fund. Proposed constitutional amendment repeals present constitution.

Present constitution limits appropriations from the TOPS Fund the amount of annual settlement agreement proceeds credited to the fund and an annual amount not to exceed the estimated aggregate annual earnings from interest, dividends, and realized capital gains on investment of the trust. Further limits appropriation to those aggregate investment earnings which are in excess of an inflation factor as determined by the Revenue Estimating Conference. Proposed constitutional amendment repeals present constitution.

Present constitution restricts use of monies from the TOPS Fund to the support of state programs for financial assistance for students attending La. institutions of postsecondary education. Proposed constitutional amendment retains present constitution.

**LOUISIANA FUND**

Present constitution (Art. VII, §10.9) establishes the Louisiana Fund in the state treasury. Requires deposit into the fund of all remaining monies received as a result of the settlement agreement after deposits into the Millennium Trust as provided in present constitution. Requires monies in the fund to be invested by the treasurer in the same manner as the state general fund monies and all interest income on the investment of such monies be credited to the fund. Requires unexpended and unencumbered monies in the fund at the end of the fiscal year to remain in the fund.

Present constitution restricts appropriations from the Louisiana Fund to certain enumerated purposes, including initiatives to ensure the optimal development of La.'s children through enhancement of educational opportunities and the provision of appropriate health care and direct healthcare services for tobacco-related illnesses. Further requires each appropriation from the Louisiana Fund to include performance expectations to ensure accountability in the expenditure of such monies.

Proposed constitutional amendment repeals present constitution; however, proposed constitutional amendment additionally designates this fund as a program fund in §19, so it may continue in statute as a special class of protected fund.

**ARTIFICIAL REEF DEVELOPMENT FUND**

Present constitution (Art. VII, §10.11) establishes the Artificial Reef Development Fund in the treasury. Requires deposit into the fund grants, donations, and other forms of assistance from private and public sources that are provided to the state for the purpose of siting, designing, constructing, permitting, monitoring, and otherwise managing an artificial reef system. Requires the treasurer to invest monies in the fund in the manner provided by law. Provides that all unexpended and unencumbered monies in the fund at the end of the fiscal year remain in the fund. Further requires deposit into the fund of interest earned on

investment of monies in the fund. Requires the treasurer to submit a written report to the department on a quarterly basis showing the amount of money contained in the fund from all sources. Restricts use of monies in the fund to the Dept. of Wildlife and Fisheries, or its successor, for certain enumerated purposes, including salaries of personnel assigned to the Artificial Reef Development Program, creating and managing an artificial reef system, and inshore fisheries habitat enhancement projects.

Proposed constitutional amendment repeals present constitution; however, proposed constitutional amendment additionally designates this fund as a program fund in §19, so it may continue in statute as a special class of protected fund.

#### **CERTAIN SUPPORT AND ASSISTANCE PROGRAMS**

Present constitution (Art. VII, §10.12) authorizes the legislature to provide by law for programs to assist La. farmers and fishermen with support and expansion of their industries. Proposed constitutional amendment repeals present constitution.

#### **HOSPITAL STABILIZATION FORMULA AND FUND**

Present constitution (Art. VII, §10.13) authorizes the legislature to annually adopt a Hospital Stabilization Formula by concurrent resolution and majority vote of the members of each house. Provides for legislative hearings on such resolution and requires the formula, to the maximum extent possible, to enhance the economic viability of La. hospitals and reduce shifting the cost of caring for La.'s needy residents to the state's insured residents.

Present constitution provides requirements and exclusions for the formula. Further provides for termination of any assessment under the formula in certain circumstances.

Present constitution requires the legislature to appropriate an amount necessary to fund the base reimbursement level for hospitals established in the most recent formula, which appropriation may not be from the Hospital Stabilization Fund. Further requires the legislature to appropriate the balance of the Hospital Stabilization Fund solely to fund the reimbursement enhancements as provided in the most recent formula adopted by the legislature. Prohibits the governor and the legislature from reducing any such appropriation except in certain circumstances.

Present constitution establishes the Hospital Stabilization Fund in the state treasury. Requires deposit into the fund of proceeds from the assessment collected pursuant to the Hospital Stabilization Formula. Requires monies in the fund to be invested in the same manner as monies in the state general fund and all interest earned on investment of fund monies to be credited to the fund. Restricts appropriation from the fund to funding the reimbursement enhancements established in the Hospital Stabilization Formula adopted by the legislature for the fiscal year in which the assessment is collected.

Proposed constitutional amendment redesignates present constitution as Art. VII, §21 and otherwise retains present constitution.

#### **LOUISIANA MEDICAL ASSISTANCE TRUST FUND**

Present constitution (Art. VII, §10.14) establishes the Louisiana Medical Assistance Trust Fund within the treasury. Requires the treasurer to deposit into the fund all proceeds from the fees collected by law relative to the fund. Provides for investment of fund monies in the same manner as state general fund monies and for deposit of all interest earned on investment of fund monies. Requires all unexpended and unencumbered monies in the fund at the end of the fiscal year to remain in the fund.

Present constitution authorizes the treasurer to establish a separate account within the fund for each health care provider group in which fees are collected. Requires monies collected

from each such group, and the interest earned on those monies, to be deposited into the account created for that provider group. Further requires any monies deposited in the fund from sources not required by law, and any interest earned on such monies, to be deposited into a separate account within the fund known as "the general account".

Present constitution only authorizes appropriation from the fund if the appropriation is eligible for federal financial participation pursuant to federal law (Title XIX of the Social Security Act). Requires the balance of each account to be appropriated for reimbursement services to the provider group which paid the fee; however, monies deposited into the general account may be appropriated for any Medicaid Program expenditure.

Further provides that monies appropriated from the provider accounts cannot be used to displace, replace, or supplant appropriations from the state general fund for the Medicaid Program below the amount of state general fund appropriations to the Medicaid Program for Fiscal Year 2013-2014.

Present constitution requires the legislature to appropriate funds necessary to provide for Medicaid Program rates for each provider group which pays fees into the fund. Sets a minimum for such appropriations and authorizes annual adjustment in accordance with certain criteria. Prohibits reduction of such appropriation in the event of a deficit unless certain criteria are met.

Proposed constitutional amendment redesignates present constitution as Art. VII, §22 and otherwise retains present constitution.

### **REVENUE STABILIZATION TRUST FUND**

Present constitution (Art. VII, §10.15) establishes the Revenue Stabilization Trust Fund in the treasury. Requires deposit into the fund of certain mineral revenues as required by present constitution (Art. VII, §10.16) and revenues in excess of \$600 M received each fiscal year from corporate franchise and income taxes. Requires investment by the treasurer of fund monies in a manner provided by law. Further requires deposit into the state general fund of all interest or other income from investment of Revenue Stabilization Trust Fund monies. With certain exceptions, authorizes appropriation from the fund only if the balance of the fund at the beginning of the fiscal year is in excess of \$5 B (minimum fund balance) and then such appropriation is capped at 10% (allowable percentage) of the fund balance. If appropriation is authorized by these circumstances, present constitution limits the appropriation to capital outlay projects in the comprehensive state capital budget and transportation infrastructure. Present constitution authorizes the legislature to change the minimum fund balance or the allowable percentage by a law enacted by 2/3 of the legislature.

Present constitution further provides that in order to ensure the money in the fund is available for appropriation in an emergency, the legislature may authorize an appropriation from the fund at any time for any purpose only after the consent of 2/3 of the members of each house. Provides that the 2/3 consent may be satisfied upon obtaining written consent in a manner provided by law.

Proposed constitutional amendment repeals present constitution.

### **MINERAL REVENUES**

Present constitution (Art. VII, §10.16) establishes allocation of revenues received by the state each year as a result of the production of or exploration for minerals. Requires deposits into various trusts and funds and distributions to political subdivisions pursuant to present law and constitution. After all such required deposits and distributions, requires 30% of such remaining revenues in excess of \$660 M and less than \$950 M to be allocated to the La. State Employees' Retirement System and the Teachers' Retirement System of La. for



application to the balance of the unfunded accrued liability of such system existing as of June 30, 1988. Requires the remainder of such monies to be deposited into the Revenue Stabilization Trust Fund.

Present constitution further requires any mineral revenues that would have been deposited into the Budget Stabilization Fund but for the present constitution cap on the fund balance are to be distributed as follows: 30% to the La. State Employees' Retirement System and the Teachers' Retirement System of La. for application to the balance of the unfunded accrued liability of such system existing as of June 30, 1988, and the remainder to be deposited into the Revenue Stabilization Trust Fund.

Present constitution defines "mineral revenues" for the purposes of present constitution to include severance taxes, royalty payments, bonus payments, or rentals, with the following exceptions:

- (1) Revenues designated as nonrecurring pursuant to present constitution (Art. VII, §10).
- (2) Revenues received by the state as a result of grants or donations when the terms or conditions thereof require otherwise.
- (3) Revenues derived from any tax on the transportation of minerals.

Proposed constitutional amendment repeals present constitution.

### **CONSERVATION FUND**

Present constitution (Art. VII, §10-A) establishes the Conservation Fund within the treasury. Requires deposit of the following into the fund:

- (1) All revenue from the types and classes of fees, licenses, permits, royalties, or other revenue paid into the Conservation Fund as provided by law when the fund was created and any increase in the amount charged for such fees, licenses, permits, royalties and other revenue after the effective date of the fund. Authorizes the legislature to enact a law specifically appropriating or dedicating such revenue to another purpose or fund.
- (2) The balance of the pre-existing Conservation Fund on June 30, 1988.
- (3) All funds or revenues that may be donated expressly to the Conservation Fund.

Present constitution requires all monies in the fund to be appropriated to the Dept. of Wildlife and Fisheries or its successor. Restricts us to the programs and purposes of conservation, protection, preservation, management, and replenishment of the state's natural resources and wildlife. Requires all unexpended and unencumbered monies in the fund at the end of the fiscal year to remain in the fund. Requires investment of fund monies by the treasurer in the manner provided by law and deposit of all interest earned on investment of fund monies be deposited into the fund. Requires the treasurer to prepare and submit to the department on a quarterly basis a printed report showing the amount of money contained in the fund from all sources.

Proposed constitutional amendment redesignates present constitution as Art. VII, §23, makes technical and conforming changes, and otherwise retains present constitution.

### **BUDGETS**

Present constitution (Art. VII, §11) establishes requirements for operating and capital outlay budgets. Requires the governor to submit to the legislature a budget estimate for the next fiscal year setting forth all proposed expenditures. Required to include recommended

appropriations from the state general fund and dedicated funds and cannot exceed the official forecast and expenditure limit for the fiscal year. Must comply with present constitution requirements (Art. VII, §10 in present constitution, Art. VII, §14 in proposed constitutional amendment) including use of nonrecurring monies and funding state supplemental pay. Proposed constitutional amendment redesignates present constitution as Art. VII, §24 and requires the executive budget to comply with the provisions of the Government Growth Limit. Makes conforming changes and otherwise retains present constitution.

(a) Operating Budget

Present constitution requires the governor to cause to be submitted a general appropriation bill for proposed ordinary operating expenditures which shall be in conformity with the recommendations for appropriations contained in the budget estimate. Authorizes the governor to submit one or more bills to raise additional revenues with proposals for the use of these revenues. Proposed constitutional amendment retains present constitution.

(b) Capital Budget

Present constitution requires the governor to submit to the legislature at each regular session a proposed five-year capital outlay program and request for implementation of the first year of the program. Requires each capital improvement project to be evaluated as provided by law prior to its inclusion in the legislature's adopted comprehensive capital budget. Requires the legislature to provide by law for such evaluation procedures, standards, and criteria. Prohibits change to these procedures except by a separate legislative instrument approved by a favorable vote of 2/3 of the elected members of the legislature. Provides requirements for projects that are not eligible for funding through the state's Transportation Trust Fund. Provides that capital outlay projects approved by the legislature shall be made a part of the comprehensive state capital budget, which the legislature is required to adopt. Proposed constitutional amendment makes technical and conforming changes and otherwise retains present constitution.

## REPORTS AND RECORDS

Present constitution (Art. VII, §12) requires reports and records of the collection, expenditure, investment, and use of state money and those relating to state obligations to be matters of public records. Provides exception for returns of taxpayers and matters pertaining to those returns. Proposed constitutional amendment redesignates present constitution as Art. VII, §25 and otherwise retains present constitution.

## INVESTMENT OF STATE FUNDS

Present constitution (Art. VII, §13) requires all money in the custody of the state treasurer which is available for investment to be invested as provided by law. Proposed constitutional amendment redesignates present constitution as §Art. VII, 26 and otherwise retains present constitution.

## LOAN, PLEDGE, OR DONATION OF PUBLIC THINGS OF VALUE

Except as otherwise provided in present constitution, present constitution (Art. VII, §14) prohibits the funds, credit, property, or things of value of the state or any political subdivision from being loaned, pledged, or donated to or for any person, association, or corporation, public or private. Further prohibits the state and any political subdivision thereof from purchasing the stock of a corporation or association or for any private enterprise unless authorized by present constitution. Proposed constitutional amendment redesignates present constitution as Art. VII, §27 and otherwise retains present constitution.

Present constitution contains certain enumerated exceptions to the prohibition on the loan, pledge, or donation of public things of value. Proposed constitutional amendment makes technical changes and otherwise retains present constitution.

Present constitution provides that, for a public purpose, the state and its political subdivisions or political corporations may engage in cooperative endeavors with each other, the United States or its agencies, or with any public or private association, corporation, or individual. Proposed constitutional amendment retains present constitution.

Present constitution exempts public funds, credit, property, or things of value loaned, pledged, dedicated, or granted by prior state law or authorized to be loaned, pledged, dedicated, or granted by prior laws and constitution from the prohibition contained in present constitution for the full term as provided by any contract. Authorizes revocation by the legislature in certain circumstances prior to the vesting of any contractual rights. Proposed constitutional amendment retains present constitution.

Present constitution authorizes the donation or exchange of movable surplus property between or among political subdivisions whose functions include public safety. Proposed constitutional amendment retains present constitution.

### **RELEASE OF OBLIGATIONS**

Present constitution (Art. VII, §15) prohibits the legislature from releasing, extinguishing, or authorizing the release or extinguishment of any indebtedness, liability, or obligation of a corporation or individual to the state, a parish, or a municipality. Authorizes the legislature to provide by law for a system under which claims by the state or a political subdivision may be compromised. Further authorizes the legislature to provide for the release of heirs to confiscated property from taxes due at the date of its reversion to them. Proposed constitutional amendment redesignates present constitution as Art. VII, §28; makes technical changes; and otherwise retains present constitution.

### **PRESCRIPTION OF TAXES**

Present constitution (Art. VII, §16) establishes a three-year prescriptive period for taxes, except real property taxes, and for licenses. The period runs three years after the thirty-first day of December in the year in which the taxes are due. Authorizes the legislature to provide by law for interruption of such prescription. Proposed constitutional amendment redesignates present constitution as Art. VII, §29; makes technical changes; and otherwise retains present constitution.

### **LEGISLATION TO OBTAIN FEDERAL AID**

Present constitution (Art. VII, §17) authorizes the legislature to enact laws to enable the state, its agencies, boards, commissions, and political subdivisions and their agencies to comply with federal laws and regulations in order to secure federal participation in funding capital improvement projects. Proposed constitutional amendment redesignates present constitution as Art. VII, §30 and otherwise retains present constitution.

### **TEACHER PAY RAISE**

Proposed constitutional amendment (Art. VII, §31) requires the treasurer to transfer to the Teachers' Retirement System of La. the balance of each of the following funds on the effective date of proposed constitutional amendment:

- (1) The Education Excellence Fund.
- (2) The Louisiana Education Quality Trust Fund.

- (3) The Louisiana Quality Education Support Fund.

Proposed constitutional amendment requires the Teachers' Retirement System of La. to apply such monies to its oldest debt. Provides that if such monies are insufficient to fully liquidate a debt schedule, the system shall reamortize the remaining debt for that schedule with annual level-dollar payments over the remainder of the original amortization period.

Proposed constitutional amendment further requires employers participating in the Teacher's Retirement System of La. to provide a permanent salary increase to eligible personnel, as provided by law. Requires the increase to be funded using the employer's net savings attributable to the payments to debt made pursuant to proposed constitutional amendment.

### AD VALOREM TAXES

Present constitution (Art. VII, §18) requires property subject to ad valorem taxation to be listed on the assessment rolls at its assessed valuation, which shall be a percentage of its fair market value. Requires the percentage of fair market value to be uniform throughout the state upon the same class of property. Present constitution additionally provides three exceptions for the listing of property on the assessment rolls as a percentage of fair market value. Two of these exceptions are:

- (1) Bona fide agricultural, horticultural, marsh, and timber lands, as defined by law, and buildings of historic architectural importance, which are to be assessed at 10% of their use value rather than fair market value. (Art. VII, §18(C))
- (2) For the phase-in of reappraisal values. (Art. VII, §18(F))

Proposed constitutional amendment redesignates present constitution as Art. VII, §32 and otherwise retains present constitution.

The third exception in present constitution to the listing of property on the assessment rolls as a percentage of fair market value is property that qualifies for a special assessment level pursuant to present constitution (Art. VII, §18(G)). Proposed constitutional amendment excepts property that qualifies for a special assessment level as provided by law.

Present constitution establishes classifications of property subject to ad valorem taxation and the percentage of fair market value applicable to each classification for the purpose of determining assessed valuation as follows:

- (1) Land = 10%.
- (2) Improvements for residential purposes = 10%.
- (3) Electric cooperative properties, excluding land = 15%.
- (4) Public service properties, excluding land = 25%.
- (5) Other property = 15%.

Proposed constitutional amendment adds a classification for public service properties, excluding land, owned by a rail road company with a tax rate at 15% of fair market value.

Present constitution requires each assessor to determine the fair market value of all property subject to taxation within his respective parish or district except public service properties which the La. Tax Commission is required to value. Requires each assessor to determine the use value of property that is to be assessed pursuant to such methodology (bona fide agricultural, marsh, and timber lands, etc.) pursuant to present constitution (Art. VII, §18(C)). Requires fair market value and use value to be determined in accordance with

criteria established by law which shall apply uniformly throughout the state. Proposed constitutional amendment retains present constitution.

Present constitution provides that assessments are subject to review and provides for the order of review by specific entities. Requires the legislature to establish procedures for such review by law. Proposed constitutional amendment retains present constitution.

Present constitution requires all property subject to taxation to be reappraised and valued in accordance with present constitution at intervals of not more than four years. Provides for the phase-in of reassessed value in certain circumstances. Proposed constitutional amendment makes conforming changes and otherwise retains present constitution.

Present constitution provides for special assessment levels for certain persons, including but not limited to persons who are 65 years of age or older and persons who are permanently totally disabled. Provides requirements and restrictions for receiving such special assessment level and for the term of such special assessment level. Provides for reassessment of the property when certain conditions are met. Proposed constitutional amendment repeals present constitution.

### STATE PROPERTY TAXATION

Present constitution (Art. VII, §19) establishes a maximum rate for state tax on property for any purpose of 5.75 mills on the dollar of assess valuation. Proposed constitutional amendment redesignates present constitution as Art. VII, §33 and otherwise retains present constitution.

### HOMESTEAD EXEMPTION

#### (a) Homeowners

Present constitution (Art. VII, §20) defines a bona fide homestead for the purposes of present constitution and exempts the first \$7,500 of assessed value of such homesteads from ad valorem taxation. Proposed constitutional amendment redesignates present constitution as Art. VII, §34 and otherwise retains present constitution. Present constitution applies the homestead exemption even if the land is classified and assessed at use value pursuant to present constitution. Proposed constitutional amendment applies the exemption even if the land is classified and assessed at use value as provided by law.

Present constitution authorizes the homestead exemption to apply to surviving spouses, former spouses, property owned by a trust, property subject to usufruct, and to trusts in certain circumstances if certain conditions are met. Proposed constitutional amendment retains present constitution.

Present constitution prohibits application of the homestead exemption on bond for deed property, with certain exceptions. Prohibits extension or application of more than one homestead exemption to any person. Prohibits extension of the exemption to municipal taxes except: (a) in Orleans Parish to certain taxes; and (b) to any municipal taxes levied for school purposes. Proposed constitutional amendment retains present constitution.

Present constitution provides for application of the homestead exemption to property damaged or destroyed during a disaster or emergency if certain conditions are met. Proposed constitutional amendment retains present constitution.

#### (b) Residential Leases

Present constitution authorizes the legislature to provide for tax relief to residential lessees in the form of credits or rebates in order to provide equitable tax relief similar to that granted

to homeowners through homestead exemptions. Proposed constitutional amendment retains present constitution.

### **OTHER AD VALOREM TAX EXEMPTIONS**

Present constitution (Art. VII, §21) exempts certain property from ad valorem taxation. Present constitution contains an exclusive list of such property, including but not limited to: public lands, property leased to certain nonprofit corporations or associations for use solely as housing for homeless persons, the legal reserve of domestic life insurance companies, boats using gasoline as motor fuel, artwork listed as a consignment article by an art dealer, and certain additional portions of assessed homestead value for persons meeting certain criteria. Proposed constitutional amendment repeals present constitution and authorizes the legislature, by law enacted by 2/3 of the members of each house, to exempt property from ad valorem taxation. Further requires enactment by 2/3 of the members of the legislature for any change to an ad valorem tax exemption once enacted. Further prohibits enactment of a measure regarding ad valorem tax exemptions, exclusions, deductions, or credits in an even-numbered year. Redesignates present constitution as Art. VII, §35.

### **PROHIBITIONS ON CERTAIN MANDATES**

Proposed constitutional amendment (Art. VII, §36) prohibits the legislature from enacting any law mandating a taxing authority to exempt business inventory from ad valorem tax. Defines "business inventor" for the purposes of proposed constitutional amendment as the aggregate of those items of tangible personal property that are held for sale in the ordinary course of business, are currently in the process of production for subsequent sale, or are to physically become a part of the production of such goods.

### **BUSINESS INVENTORY EXEMPTION PAYMENT**

Proposed constitutional amendment (Art. VII, §37) authorizes a one-time payment to each parish that elects to exempt, in accordance with law, business inventory from ad valorem tax. Provides that such payment shall be made from the Revenue Stabilization Trust Fund. Requires the payment to be disbursed to the tax collector of the parish and requires the tax collector to then distribute the monies pro rata to each taxing authority that levies an ad valorem tax within the parish. Provides that the amount of the payment pursuant to proposed constitutional amendment shall be as provided by law and certified by the Dept. of Revenue. Further requires that, notwithstanding any provision of the constitution to the contrary, monies are to be disbursed by the treasurer to the collector within thirty dates of receipt of a certification from the secretary of the Dept. of Revenue that the parish has irrevocably elected to exempt business inventory from ad valorem tax.

### **NO IMPAIRMENT**

Present constitution (Art. VII, §22) prohibits application of provisions of the constitution relative to ad valorem taxes and exemptions thereon (Part II of Art. VII of the constitution of La.) in a manner that would either:

- (1) Invalidate taxes authorized and imposed prior to the effective date of this constitution.
- (2) Impair the obligations, validity, or security of any bonds or other debt obligations authorized prior to the effective date of present constitution.

Proposed constitutional amendment redesignates present constitution as Art. VII, §38 and prohibits anything in the constitution or in law from being applied in a manner that would either:

- (1) Invalidate taxes authorized and imposed prior to the effective date of this constitution.
- (2) Impair the obligations, validity, or security of any bonds or other debt obligations authorized prior to the effective date of present constitution or any amendment to Art. VII.

### **ADJUSTMENT OF AD VALOREM TAX MILLAGES**

Present constitution (Art. VII, §23) authorizes adjustment to ad valorem tax millages in certain circumstances to counteract the impact of enactment of the homestead exemption and the uniform ad valorem tax on classes of property. Proposed constitutional amendment repeals present constitution.

### **TAX ASSESSORS**

Present constitution (Art. VII, §24) requires a tax assessor to be elected in each parish. Provides for a four-year term of office and for his election, duties, and compensation to be provided by law. Provides contingency for vacancy in the position of tax assessor. Further provides that in Orleans Parish, the assessor is to be elected at the same time as the municipal officers of New Orleans. Proposed constitutional amendment redesignates present constitution as Art. VII, §39 and otherwise retains present constitution.

### **TAX SALES/ADMINISTRATION**

- (a) If the amendment to Art. VII, §25 is rejected by the electors of the state on December 7, 2024

Present constitution (Art. VII, §25) prohibits the forfeiture of property for nonpayment of taxes. Proposed constitutional amendment redesignates present constitution as Art. VII, §40 and retains present constitution.

Present constitution authorizes advertisement of the sale of the property by the collector without suit when the year in which taxes are due expires, after giving notice of delinquency to the taxpayer. Requires advertisement to be published in the official journal of the parish or municipality or as provided by law for sheriff's sales. Provides that property sold in a tax sale shall be redeemable for three years after the date of recordation of the tax sale, by paying the price given including costs, 5% penalty thereon, and interest at the rate of 1% per month until redemption.

Proposed constitutional amendment repeals existing constitution and provides that the assessment of ad valorem taxes and other impositions on immovable property constitute a lien and privilege on the property assessed in favor of the political subdivision to which taxes and other impositions are owed. Further requires the legislature to provide by law for the efficient administration of tax sales which shall include at a minimum: imposition of interest not to exceed 1% per month on a non-compounding basis, imposition of penalty not to exceed 5% of the delinquent taxes and other impositions, a time period during which liens cannot be enforced, and a procedure for claiming excess proceeds from the sale of property as a result of the enforcement of a lien. Further authorizes the legislature, by law, to provide authority to the tax collector to waive penalties for good cause.

Present constitution sets for requirements for annulling a tax sale. Proposed constitutional amendment repeals present constitution.

Present constitution requires the manner of notice and form of proceeding to quiet tax title to be provided by law. Proposed constitutional amendment repeals present constitution.

Present constitution provides for sale of movables when taxes thereon are delinquent. Sets forth criteria for such sales. Authorizes the tax collector to levy on incorporeal rights if he cannot find corporeal movables of the delinquent to seize. Also authorizes the tax collector to compel the delinquent to deliver for sale property in his possession or under his control by summary rule. Proposed constitutional amendment retains present constitution.

Present constitution authorizes the legislature to postpone the payment of taxes, but only in cases of overflow, general conflagration, general crop destruction, or other public calamity. Proposed constitutional amendment repeals present constitution and authorizes postponement by the legislature only in cases of an emergency declared by the governor or a parish president pursuant to the La. Homeland Security and Emergency Assistance and Disaster Act.

Present constitution authorizes the legislature to provide for the levying, assessing, and collecting of postponed taxes and authorizes the creation of a fund from which loans may be made through the Interim Emergency Board to the governing authority of the parish where the calamity occurred. Provides for initial funding of such a fund and restrictions on loans from the fund. Proposed constitutional amendment retains present constitution.

(b) If the amendment to Art. VII, §25 is approved by the electors of the state on December 7, 2024

Present constitution (Art. VII, §25) prohibits the forfeiture of property for nonpayment of taxes. Provides that the assessment of ad valorem taxes and other impositions on immovable property constitute a lien and privilege on the property assessed in favor of the political subdivision to which taxes and other impositions are owed. Further requires the legislature to provide by law for the efficient administration of tax sales which shall include at a minimum: imposition of interest not to exceed 1% per month on a non-compounding basis, imposition of penalty not to exceed 5% of the delinquent taxes and other impositions, a time period during which liens cannot be enforced, and a procedure for claiming excess proceeds from the sale of property as a result of the enforcement of a lien. Further authorizes the legislature, by law, to provide authority to the tax collector to waive penalties for good cause.

Present constitution provides for sale of movables when taxes thereon are delinquent. Sets forth criteria for such sales. Authorizes the tax collector to levy on incorporeal rights if he cannot find corporeal movables of the delinquent to seize. Also authorizes the tax collector to compel the delinquent to deliver for sale property in his possession or under his control by summary rule.

Present constitution authorizes the legislature to postpone the payment of taxes, but only in cases of an emergency declared by the governor or a parish president pursuant to the La. Homeland Security and Emergency Assistance and Disaster Act. Further authorizes the legislature to provide for the levying, assessing, and collecting of postponed taxes and authorizes the creation of a fund from which loans may be made through the Interim Emergency Board to the governing authority of the parish where the taxes are postponed. Provides for initial funding of such a fund and restrictions on loans from the fund.

Proposed constitutional amendment redesignates present constitution as Art. VII, §40 and otherwise retains present constitution.

## REVENUE SHARING

Present constitution (Art. VII, §26) provides for the annual distribution by law of \$90 M to parishes based on population and number of homesteads in each parish in proportion to population and number of homesteads throughout the state. Requires the legislature to provide by law for a distribution formula and provides requirements for such formula. Provides for who shall receive such distribution on behalf of parishes and authorizes political



subdivisions to pledge funds received pursuant to present constitution to the payment of bonds. Proposed constitutional amendment redesignates present constitution as Art. VII, §41 and otherwise retains present constitution.

### **UNCLAIMED PROPERTY**

Present constitution (Art. VII, §28) establishes the Unclaimed Property Permanent Trust Fund within the treasury. Provides for deposit, investment, and use of monies in the fund. Requires deposit of any realized capital gains, dividend income, and interest income earned on investment of trust monies into the state general fund. Requires annual reports to the legislature and the governor concerning the balance of the fund as of the close of the prior year and the state's potential liability to unclaimed property claimants as of the same date. Provides for access of trust fund assets if certain conditions are met. Provides that property received by the state pursuant to present law (Unclaimed Property Act of 1997) and deposited into the fund is private property held in trust until a claim is made for it by the owner.

Proposed constitutional amendment redesignates present constitution as Art. VII, §42, makes technical changes, and otherwise retains present constitution.

### **MONIES HELD IN FUNDS TO BE REPEALED**

After the effective date of proposed constitutional amendment (instrument Section 8) deposits into the following funds are prohibited:

- (1) La. Education Quality Trust Fund.
- (2) La. Quality Education Support Fund.
- (3) Mineral Revenue Audit and Settlement Fund.
- (4) Education Excellence Fund.

Proposed constitutional amendment further directs the treasurer, until directed otherwise by law, to deposit monies that would have been deposited into such fund into the state general fund.

Proposed constitutional amendment (instrument Section 7) retains certain sums in the following accounts for satisfaction of monies held to the credit of certain entities and current year appropriations from such funds:

- (1) La. Education Quality Trust Fund.
- (2) La. Quality Education Support Fund.
- (3) Education Excellence Fund.

Further provides that, notwithstanding any provision of proposed constitutional amendment to the contrary, transfers from such funds to the Teachers' Retirement System of La. are net of such amounts.

Proposed constitutional amendment (instrument Sections 5 & 6) establish timelines and protocols for withdrawal of monies held in the Education Support Fund and the Education Excellence Fund. Authorize monies withdrawn from such funds pursuant to proposed constitutional amendment to be held in an escrow account at a fiscal agent bank, as defined by law, until expended.

### **TECHNICAL AND CONFORMING CHANGES**

Proposed constitutional amendment makes technical changes to present constitution and further makes conforming changes to align with changes proposed in proposed constitutional amendment.

**SUBMISSION TO VOTERS**

Provides for submission of the proposed amendment to the voters at the statewide election to be held March 29, 2025.

(Amends Const. Art. VII, §§1 through 28; Adds Const. Art. VII, §§29 through 42)

Summary of Amendments Adopted by House

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

1. Restrict deposit of mineral revenues into the Budget Stabilization Fund pursuant to proposed constitutional amendment to 15% of remaining mineral revenues after allocations and deposits required by constitution and law have been made.
2. Update Coastal Protection and Restoration Fund language in present constitution and proposed constitutional amendment to reflect ratification by the voters at the Nov. 5, 2024, election of changes to revenues eligible for deposit into the fund.
3. Delete provision requiring a specific legislative instrument adopted by 2/3 of the elected members of each house to change a dedication of interest and investment income from a permanent trust. Add provision requiring passage of a law by 2/3 of the elected members of each house to change any such dedication.
4. Add provision requiring restrictions on permanent trusts to apply to subfunds created within a permanent trust.
5. Add provision authorizing change to a fund's status as a permanent trust fund by a law enacted by the favorable vote of 2/3 of the elected members of each house of the legislature.
6. Delete provisions regarding restrictions on program funds and add the following requirements in lieu thereof:
  - (A) Requires a law enacted by 2/3 of the elected members of each house to create or designate a fund as a program fund or to change the designation of a fund as a program fund.
  - (B) Provides that appropriation of monies from a program fund shall only require a majority vote, unless the terms of the fund require otherwise.
7. Add provision restricting ability of legislature to dedicate tobacco settlement agreement proceeds by law to the Health Excellence Fund within the Millennium Trust.
8. Adds Wildlife and Fisheries Conservation Fund to the constitution as Art. VII, §23.
9. Make technical and conforming changes.

The Committee Amendments Proposed by House Committee on Appropriations to the engrossed bill:

1. Delay implementation of the sales tax exemption on prescription drugs until July 1, 2025.
2. Remove conditional language regarding if the Dept. of Revenue becomes the central sales tax collector.

3. Add language regarding how monies collected by the state on behalf of another taxing authority are to be handled and establishes a 30-day time limit for remittal.
4. Remove general language regarding legislative limitations on severance allocations and replace with specific authorizations to increase or decrease the proportion of tax avails sent to locals and establish an annual maximum that may be remitted for any of the severance taxes.
5. Retains present constitution provisions regarding the expenditure limit.
6. Establish the Government Growth Limit and provide for calculation of such limit, exceptions to such limit, and authority to change such limit.
7. Require appropriations to conform to the Government Growth Limit.
8. Remove the designation of "permanent trust" from the Transportation Trust Fund.
9. Require airport appropriations from the TTF to be calculated as provided by law.
10. Require executive budgets to conform to the expenditure limit and the Government Growth Limit.
11. Exclude public service land owned by a railroad from certain ad valorem taxation rates.
12. Prohibit enactment of legislation regarding ad valorem tax exemptions, exclusions, deductions, or credits in an even-numbered year.
13. Prohibit the legislature from mandating that a taxing authority exempt business inventory from ad valorem tax. Define business inventory for purposes of proposed constitutional amendment.
14. Prohibit deposits after the effective date of proposed constitutional amendment into funds being permanently repealed. Require the treasurer, unless or until directed otherwise by law, to deposit monies that would have been deposited into such funds into the state general fund.
15. Provide that transfers to the Teachers' Retirement System of La. pursuant to proposed law are net of amounts necessary to satisfy current year appropriations from certain funds and amounts necessary to transfer certain monies held to the credit of certain entities in the Education Excellence Fund and the La. Quality Education Support Fund.
16. Establish protocols for certification and transfer to owners of monies held in the Education Excellence Fund and the La. Quality Education Support Fund to the credit of certain entities.
17. Make technical and conforming changes.