

Regular Session, 2013

SENATE RESOLUTION NO. 15

BY SENATOR HEITMEIER

SENATE. Requires prefiling by January 15 of any legislative instrument which produces a net decrease in taxes, fees, charges or other revenues received by the state of \$10 million or more annually in any one of the 5 fiscal years; a report by the proponents on the instrument's economic effects; and a review of such report by the legislative fiscal office.

1 A RESOLUTION

2 To amend and readopt Senate Rule Nos. 9.1(A) and 13.95(A) and to adopt Senate Rule No.
3 7.14.1 of the Rules of Order of the Senate, relative to the prefiling of certain revenue
4 loss legislative instruments and the requirement for and preparation of revenue loss
5 notes.

6 BE IT RESOLVED that the Senate of the Legislature of Louisiana amends and
7 readopts Senate Rule Nos. 9.1(A) and 13.95(A) and adopts Senate Rule No. 7.14.1 of the
8 Rules of Order of the Senate to read as follows:

9 Rule 9.1. Time of prefiling; written consent of author

10 A.(1) At any time between regular sessions, but no later than ten days before
11 the beginning of a regular session for joint resolutions proposing a constitutional
12 amendment, or no later than five o'clock in the evening of the forty-fifth calendar day
13 prior to the first day of a regular session for bills relative to retirement, or no later
14 than five o'clock in the evening of the tenth calendar day prior to the first day of a
15 regular session for all other bills, senators may prefile with the Secretary legislative
16 instruments that are proposed for introduction at the next session. However, no
17 instrument shall be prefiled between final adjournment of the last regular session of

1 a legislative term and promulgation of the returns of the general election for members
2 of the legislature for the next succeeding term. After the promulgation of the election
3 returns, any member-elect may prefile instruments for introduction at the next regular
4 session.

5 (2) Notwithstanding the provisions of Subparagraph 1 of this Paragraph,
6 any legislative instrument which is likely to produce a net decrease in taxes, fees,
7 charges or other revenue of the state, or of a political subdivision of the state
8 whose boundaries are coterminous with those of the state, of ten million dollars
9 or more in any one of the five ensuing fiscal years from its effective date, shall be
10 filed on or before January 15 with the report required by Senate Rule 7.14.1
11 attached.

12 * * *

13 Rule 7.14.1. Revenue loss notes

14 A. Any legislative instrument which produces a net decrease in taxes,
15 fees, charges or other revenues received by the state, or by a political subdivision
16 of the state whose boundaries are coterminous with those of the state, of ten
17 million dollars or more in any one of the five ensuing fiscal years from the
18 instrument's effective date shall be filed with the following report attached to the
19 instrument prepared by the author, or by a proponent of the instrument on the
20 author's behalf, relative to the economic effects of the enactment of the legislative
21 instrument:

22 (1) The total decrease in taxes, fees, charges or other revenue estimated
23 over the five ensuing fiscal years from the instrument's effective date.

24 (2) The state's revenue loss ratio; that is, the amount of money to be
25 gained by the state compared to the cost of the benefit granted.

26 (3) The effect on household earnings, employment, and value added in
27 Louisiana.

28 (4) An indication of which beneficial economic actions will be incentivized
29 by the instrument.

1 **(5) Data indicating whether the same or similar instruments have been**
2 **enacted in other states or territories of the United States or other nations.**

3 **(6) The methodology and assumptions utilized to produce the information**
4 **in the report.**

5 **B.(1) Upon filing of the legislative instrument with the report required by**
6 **this Rule attached, the Secretary of the Senate shall transmit a copy of the report**
7 **to the Department of Revenue and to the legislative fiscal office.**

8 **(2) The legislative fiscal office with the assistance of the Department of**
9 **Revenue shall review the report. The review shall encompass all aspects of the**
10 **report including, but not limited to the following:**

11 **(a) The reasonableness of the revenue loss estimates.**

12 **(b) A reference to the legislative fiscal office's estimate of the state's**
13 **revenue loss expected from the enactment of the legislative instrument in the**
14 **fiscal note prepared for the instrument.**

15 **(c) The validity, credibility, or reasonableness of the information in the**
16 **report or the methodology and assumptions utilized to produce the information,**
17 **or questions raised by such information, assumptions, or methodology.**

18 **(d) Whether the actions being incentivized are already occurring without**
19 **the enactment of the instrument.**

20 **(e) A report and review by the Department of Revenue of the data in the**
21 **report and from other sources as to whether the same or similar instruments**
22 **have been enacted in other states or territories of the United States or other**
23 **nations.**

24 **(f) Any other information not included in the report which may have a**
25 **bearing on the question of whether the legislative instrument should be enacted.**

26 **C.(1) In addition to the fiscal note prepared in accordance with Joint Rule**
27 **No. 4, the legislative fiscal office shall prepare a revenue loss note which sets**
28 **forth a brief and concise summary of the results of its review, with the assistance**
29 **of the Department of Revenue, of the report attached to the legislative**

1 instrument as provided for in Paragraph (B) of this Rule. Any legislative
2 instrument which produces a net decrease in taxes, fees, charges or other
3 revenues received by the state, or by a political subdivision of the state whose
4 boundaries are coterminous with those of the state, of ten million dollars or more
5 annually in any one of the five ensuing fiscal years from the instrument's
6 effective date shall have attached to it prior to its consideration by any
7 committee of the Senate, unless the committee otherwise decides, and prior to its
8 consideration on final passage by the Senate, the revenue loss note prepared by
9 the legislative fiscal office as provided for in this Rule. In addition, the President
10 of the Senate, the Secretary of the Senate, or any Senator may offer a motion at
11 any time that a legislative instrument requiring a revenue loss note without such
12 a note attached be deferred until the preparation of such revenue loss note.

13 (2) However, nothing in this Rule shall require the preparation of a
14 revenue loss note by the legislative fiscal office for an instrument not prefiled as
15 required in Senate Rule 9.1(A)(2), or for an instrument filed without the report
16 required by this Rule attached, to take precedence over the preparation of any
17 fiscal note required by Joint Rule No. 4 or revenue loss note of an instrument
18 properly prefiled with the report attached. The preparation of such revenue loss
19 note may take place after the conclusion of the session in which the legislative
20 instrument was introduced.

21 D. A revenue loss note shall not constitute a part of the law proposed by
22 the legislative instrument to which it is attached.

23 * * *

24 Rule 13.95. Permanent committee records; disposition

25 A. The permanent records of the committee shall include the audio tapes and
26 minutes of each meeting and a file on each instrument received by the committee.
27 The file on each instrument shall include a copy of the original instrument; a copy of
28 committee amendments proposed by any member, whether or not adopted, and the
29 disposition thereof; a copy of any fiscal note, actuarial note, **revenue loss note**, or

1 notice attached to an instrument at the time of committee consideration; all prepared
 2 statements filed with the committee chairman by members or interested parties; the
 3 minutes of the public hearing held on the instrument and of the meeting at which the
 4 committee report thereon was decided; and a copy of the committee report thereon.

5 * * *

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Riley Boudreaux.

DIGEST

Heitmeier

SR No. 110 15

Present Senate Rule [No. 9.1] contains the constitutional requirement that constitutional amendments be prefiled no later than 10 days before the beginning of a regular session, and that bills relative to retirement be prefiled 45 days prior to a regular session.

Proposed Senate Rule requires any legislative instrument which is likely to cause a net decrease in taxes, fees, charges or other revenue of the state of \$10 million or more in any one of the 5 ensuing fiscal years from its effective date to be filed on or before January 15th with the report required below attached.

Proposed Senate Rule requires any legislative instrument which is likely to cause a net decrease in taxes, fees, charges or other revenue of the state of \$10 million or more in any one of the 5 ensuing fiscal years from its effective date to be filed with a report prepared by the author of the instrument, or by a proponent of the instrument on the author's behalf, relative to the economic effects of the enactment of the legislative instrument.

The LFO with the assistance of the Department of Revenue [DOR] is required to review the report and prepare a "revenue loss note" which sets forth a brief and concise summary of the results of its review of the economic effects report.

The "revenue loss note" must be attached to any legislative instrument which produces a net decrease in state revenues of \$10 million or more in any one of the 5 ensuing fiscal years from its effective date prior to its consideration by any committee of the Senate, unless the committee otherwise decides, and prior to its consideration on final passage by the Senate. In addition, the President of the Senate, the Secretary, or any Senator may offer a motion at any time that a legislative instrument requiring the revenue loss note without such a note attached be deferred until the preparation of such revenue loss note.

However, the proposed Senate Rule provides that the preparation of a revenue loss note by the LFO for an instrument not prefiled as required in the proposed Senate Rule, or for an instrument filed without the report required by the proposed Senate Rule attached, must not take precedence over the preparation of any fiscal note or revenue loss note of an instrument properly prefiled with the report attached. The preparation of such revenue loss note may take place after the conclusion of the session in which the legislative instrument was introduced.

Proposed Senate Rule requires the economic effects report attached to the instrument to contain the following:

- (1) The total decrease in taxes, fees, charges or other revenue estimated over the 5 ensuing fiscal years from the instrument's effective date.
- (2) The state's revenue loss ratio; that is, the amount of money to be gained by the state

compared to the cost of the benefit granted.

- (3) The effect on household earnings, employment, and value added in Louisiana.
- (4) An indication of which beneficial economic actions will be incentivized by the instrument.
- (5) Data indicating whether the same or similar instruments have been enacted in other states or territories of the United States or other nations.
- (6) The methodology and assumptions utilized to produce the information in the report.

The LFO's review of the economic effects report attached to the instrument must encompass all aspects of the report including, but not limited to the following:

- (1) The reasonableness of the revenue loss estimates.
- (2) A reference to the legislative fiscal office's estimate of the state's revenue loss expected from the enactment of the legislative instrument in the fiscal note prepared for the instrument.
- (3) The validity, credibility, or reasonableness of the information in the report or the methodology and assumptions utilized to produce the information, or questions raised by such information, assumptions, or methodology.
- (4) Whether the actions being incentivized are already occurring without the enactment of the instrument.
- (5) A report and review by the Department of Revenue of the data in the report and from other sources as to whether the same or similar instruments have been enacted in other states or territories of the United States or other nations.
- (6) Any other information not included in the report which may have a bearing on the question of whether the legislative instrument should be enacted.

(Amends Senate Rule Nos. 9.1(A) and 13.95(A); adds Senate Rule No. 7.14.1)