

Regular Session, 2013

HOUSE BILL NO. 711

BY REPRESENTATIVE BARROW

TAX: Imposes a tax on single-use plastic carry bags and provides for the use of the avails thereof

1 AN ACT

2 To enact Chapter 13 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, to
3 be comprised of R.S. 47:1151, relative to state taxes; to impose a tax on single-use
4 plastic bags; to provide for the tax rate; to authorize the legislature to adjust the rate;
5 to provide with respect to the collection of the tax; to establish the Plastic Bag
6 Management Tax Fund and to establish accounts within the fund; to provide for the
7 deposit in, use, and investment of monies in the fund; to authorize certain
8 appropriations; to authorize the distribution of certain avails of the tax for support
9 of private nonprofit organizations; and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. Chapter 13 of Subtitle II of Title 47 of the Louisiana Revised Statutes of
12 1950, comprised of R.S. 47:1151, is hereby enacted to read as follows:

13 CHAPTER 13. PLASTIC BAG MANAGEMENT TAX

14 §1151. Plastic Bag Management Tax; levy; collection; dedication

15 A. Levy. There shall be a state tax of five cents imposed on each single-use
16 plastic bag. The rate of the tax may be adjusted with a specific legislative instrument
17 which receives a favorable vote of two-thirds of the elected members of each house
18 of the legislature. For purposes of this Section, "plastic bag" means a bag composed
19 primarily of thermoplastic synthetic polymeric material which is provided to a

1 purchaser during a retail transaction for use in carrying or transporting purchased
2 goods.

3 B. Collection. Monies shall be collected in the same manner as state sales
4 and use tax and shall be remitted on the same tax return; however, the avails of the
5 taxes collected pursuant to this Section shall not be included in the amount of taxes
6 which a dealer uses to compute vendor's compensation.

7 C. Dedication. After compliance with the requirements of Article VII,
8 Section 9(B) of the Constitution of Louisiana relative to the Bond Security and
9 Redemption Fund, and after a sufficient amount is allocated from that fund to pay
10 all of the obligations secured by the full faith and credit of the state, which become
11 due and payable within any fiscal year, the treasurer shall pay into the Plastic Bag
12 Management Fund an amount equal to the monies received by the secretary from the
13 avails of the Plastic Bag Management Tax authorized in this Section.

14 D. There is hereby established the Plastic Bag Management Fund as a special
15 fund in the state treasury, hereinafter referred to as "fund". Monies in the fund shall
16 be invested in the same manner as the state general fund and earnings thereon shall
17 be deposited into the fund. Any unexpended and unencumbered monies remaining
18 in the fund at the end of the fiscal year shall remain to the credit of the fund. Within
19 the fund there are hereby established two accounts, the Community Grants Account
20 and the Nonprofit Support Account. Each fiscal year the state treasurer shall deposit
21 into the two accounts an amount equal to the total deposits into the fund plus any
22 monies remaining in the fund from a prior year. Twenty percent shall be deposited
23 into the Community Grants Account and eighty percent shall be deposited into the
24 Nonprofit Support Account.

25 E.(1) The monies in the Community Grants Account shall be allocated to
26 each state senator and state representative, to be administered through the office of
27 community development in the division of administration, to be used as provided in
28 Paragraph (2) of this Subsection.

1 (2)(a) Of the total appropriation from the Community Grants Account which
2 has been allocated pursuant to Paragraph (1) of this Subsection for the provision of
3 grants, fifty percent shall be designated for grants to be selected by each state senator
4 and fifty percent shall be designated for grants to be selected by each state
5 representative. The amount available for allocation by each senator shall be
6 determined by dividing the population of the senator's district by the total population
7 of the state and then multiplying such ratio by fifty percent of the total
8 appropriation. The amount available for allocation by each representative shall be
9 determined by dividing the population of the representative's district by the total
10 population of the state and then multiplying such ratio by fifty percent of the total
11 appropriation. Population data from the latest federal census shall be used in
12 establishing allocation ratios.

13 (b) The office of community development in the division of administration
14 shall have administrative responsibility and authority for funds allocated pursuant
15 to Paragraph (1) of this Subsection and shall consult with the appropriate
16 representative or senator having authority to determine the grants to be distributed
17 each year from the funds so allocated, but shall not have the authority to expend,
18 obligate, allocate, or otherwise control any of such funds except as specifically
19 provided in this Subsection.

20 (c) Grants shall be available for activities, projects, or programs undertaken
21 for a public purpose, including but not limited to tourism, recreation, economic
22 development, capital outlay, education, and services for youth and the elderly.

23 (d) Grants shall be exclusively available to public and private nonprofit
24 entities, and such funds shall be expended only for a public purpose. No grantee
25 which is a private, nonprofit corporation shall be involved in any political activity.
26 "Political activity" shall mean an effort to support or oppose a proposition or the
27 election of a candidate for political office or to support or oppose a particular
28 political party in an election.

1 (3) The office of community development in the division of administration
2 shall develop a grant application process which shall be used by entities seeking
3 grants. Grant applications shall include at a minimum:

4 (a) A detailed narrative describing the grant applicant, the proposed activity
5 or project and its value, and the objectives to be accomplished through the use of
6 grant funds.

7 (b) A detailed budget for the activity or project, including measurable
8 indicators of achievement of performance expectations.

9 (c) If the grant applicant is a private, nonprofit entity, information on the
10 entity's purpose, its size, the names and addresses of the members of its governing
11 body, and its taxpayer identification number.

12 (4) The office of community development in the division of administration
13 shall monitor and evaluate the use of grant funds. The grantee shall cooperate in
14 providing any information requested by the district relative to the funded activity.
15 Each grantee shall be subject to audit by the legislative auditor in accordance with
16 R.S. 24:513.

17 (5) Following a hearing and upon a finding that any grant provided pursuant
18 to this Subsection is not in compliance with the requirements of this Subsection, the
19 board of commissioners of the district, with the concurrence of the representative or
20 senator whose funds were provided, may revoke further funding of such grant.

21 F. The monies in the Nonprofit Support Account shall be appropriated each
22 year by the legislature as follows:

23 (1) Twelve percent of the monies in the account to the Louisiana Coalition
24 on Domestic Violence.

25 (2) Twelve percent of the monies in the account for Keep Louisiana
26 Beautiful for recycling programs.

27 (3) Twelve percent of the monies in the account for Baton Rouge Crisis
28 Center.

- 1 (4) Twelve percent of the monies in the account to the office of elderly
2 affairs.
- 3 (5) Six percent of the monies in the account to Youth Challenge.
- 4 (6) Six percent of the monies in the account to Susan G. Komen Foundation.
- 5 (7) Six percent of the monies in the account to Department of Health and
6 Hospitals to be used for HIV/Aids prevention.
- 7 (8) Six percent of the monies in the account to Autism Society-Louisiana
8 State Chapter.
- 9 (9) Six percent of the monies in the account to the Girl Scouts.
- 10 (10) Six percent of the monies in the account to the March of Dimes.
- 11 (11) Three percent of the monies in the account to the Louisiana Arts and
12 Science Museum.
- 13 (12) Three percent of the monies in the account to the Epilepsy Foundation,
14 Louisiana.
- 15 (13) Three percent of the monies in the account to the American Heart
16 Association in Louisiana.
- 17 (14) Three percent of the account to the prevention of child abuse.
- 18 (15) Three percent of the account to Sickle Cell Anemia.
- 19 (16) One percent of the monies in the account to the office of community
20 development, division of administration, for administration of the grant program.
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DIGEST

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

Barrow

HB No. 711

Abstract: Levies a tax on single-use plastic bags and provides for the use of the funds received from that tax.

Proposed law levies a 5¢ tax on each single-use plastic bag. Authorizes the tax rate to be adjusted by a 2/3 vote of the legislature. Defines a "plastic bag" as a bag composed primarily of thermoplastic synthetic polymeric material which is provided to a purchaser during a retail transaction for use in carrying or transporting purchased goods.

Proposed law provides for collection of the tax in the same manner and on the same tax return as the state sales and use tax. Prohibits the tax from inclusion in the calculation of the dealers compensation.

Proposed law creates the Plastic Bag Management Fund and provides for deposit of the tax proceeds. Further creates two accounts in the Fund—the Community Grants Account and the Nonprofit Support Account. Provides that 20% of the collections be deposited into the Community Grants Account and the remaining 80% be deposited into the Nonprofit Support Account.

Proposed law provides that of the monies in the Community Grants Account to be used for grants for activities, projects, or programs undertaken for a public purpose and administered by the office of community development in the division of administration, with 50% of the monies to be use for grants selected by the members of the state Senate and 50% for grants selected by the members of the state House of Representatives. Proposed law provides for the necessary information to be contained in the grant applications.

Proposed law provides that the monies contained in the Nonprofit Support Account shall be appropriated each year by the legislation as follows:

- (1) 12% to the La. Coalition on Domestic Violence.
 - (2) 12% for Keep La. Beautiful for recycling programs.
 - (3) 12% for Baton Rouge Crisis Center.
 - (4) 12% to the office of elderly affairs.
 - (5) 6% to Youth Challenge.
 - (6) 6% to Susan G. Komen Foundation.
 - (7) 6% to Dept. of Health and Hospitals to be used for HIV/Aids prevention.
 - (8) 6% to Autism Society-Louisiana State Chapter.
 - (9) 6% to the Girl Scouts.
 - (10) 6% to the March of Dimes.
 - (11) 3% to the La. Arts and Science Museum.
 - (12) 3% to the Epilepsy Foundation, La.
 - (13) 3% to the American Heart Association in La.
 - (14) 3% to the prevention of child abuse.
 - (15) 3% to Sickle Cell Anemia.
 - (16) 1% to the office of community development for administration of the grant program.
- (Adds R.S. 47:1151)