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

DIGEST

SB 75 Original

2015 Regular Session

Mills

<u>Proposed constitutional amendment</u> provides that, on and after July 1, 2016, any bill or joint resolution that enacts a tax exemption or amends or renews an existing tax exemption, which would have the effect of materially reducing state revenues, shall be prefiled no later than December 15 in the year prior to a regular session and shall terminate on June 30 of the sixth year after its enactment. Requires that an Exemption Explanatory Note be attached which shall set forth the fiscal and economics of the exemption. Provides that a tax exemption instrument shall be subject to an official tax exemption analysis and recommendation procedure.

<u>Proposed constitutional amendment provides that tax exemptions existing prior to July 1, 2016, shall</u> terminate on June 30 of an odd-numbered year as shall be designated on a schedule of terminations for such tax exemptions, proposed by the Exemption Review Conference and approved as provided by law.

<u>Proposed constitutional amendment</u> provides that a tax exemption instrument or any amendment to such instrument shall be declared null and void by any court if the instrument or amendment fails to obtain the official tax exemption analysis and undergo the review and recommendation procedure.

<u>Proposed constitutional amendment</u> provides for the process for consideration of tax exemption instruments. It creates the Exemption Review Conference, composed of five members:

- (1) The governor, or his designee.
- (2) The president of the Senate, or his designee.
- (3) The speaker of the House of Representatives, or his designee
- (4) Two economists who each have at least 10 years of economic forecasting expertise. The two economists and one alternate shall be selected by the other three members from a list of as many as six, but no fewer than four names, submitted to them by the Board of Regents after the board consults with the president of the Louisiana Association of Independent Colleges and Universities.

<u>Proposed constitutional amendment</u> provides that decisions to adopt an official exemption analysis and recommendations or any other action shall be by a majority vote of the members. Recusal of a member shall be provided by law.

<u>Proposed constitutional amendment</u> provides that when a tax exemption instrument is prefiled, the chief clerical officer of the house of origin shall promptly provide a copy of the instrument and the

attached Exemption Explanatory Note to the Exemption Review Conference. The two economists shall review the instrument and note, prepare their own analysis, and present the analysis in writing to the Conference for adoption, along with a written proposal for the type of action the Conference should recommend to the legislature regarding the instrument.

<u>Proposed constitutional amendment</u> provides that prior to the last day for prefiling legislative instruments in a legislative session, the Exemption Review Conference shall, in a public meeting, adopt an official tax exemption analysis and make an official recommendation to the legislature regarding the disposition of the tax exemption instrument, with reasons, of any of the following:

- (1) For enactment, addition, or renewal of the tax exemption.
- (2) For enactment, addition, or renewal of the tax exemption with modifications.
- (3) Against enactment, addition, or renewal of the tax exemption.

Requires that the Exemption Review Conference recommendation and the official tax exemption analysis be attached to the tax exemption instrument by the chief clerical officer of the house of the legislature where the instrument was filed.

<u>Proposed constitutional amendment</u> provides that a tax exemption instrument that does not have an official tax exemption analysis and recommendation attached, or any tax exemption instrument that has been amended and has no revised analysis and recommendation attached, shall at any time, upon the motion of any legislator, be referred to the conference for a determination within five legislative days as to whether the instrument requires such an analysis and recommendation. A decision that an analysis and recommendation are needed shall require the affirmative vote of only two members of the conference.

<u>Proposed constitutional amendment</u> provides that if the decision is that an analysis and recommendation are required, then the Exemption Review Conference may either proceed with preparation of an analysis and recommendation, or defer the process until the interim between legislative sessions. Provides that if the item is deferred, it may be introduced and considered in the next regular session, whether it is an odd-numbered year session or not.

<u>Proposed constitutional amendment</u> requires that after the enactment of laws required to implement the procedures described herein, any legislative instrument amending such law shall require a two-thirds vote of each house.

Specifies submission of the amendment to the voters at the statewide election to be held on October 24, 2015.

Effective January 1, 2016.

(Amends Const. Art. III, Sec. 2(A)(2)(d); Adds Const. Art. III, Sec. 2(A)(2)(e) and 15.1 and Art. XIII, Sec. 1.(A)(3))