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

DIGEST

SB 75 Engrossed 2015 Regular Session Mills

Proposed constitutional amendment provides that for any regular session for which the provisions of the proposed constitutional amendment are effective, any legislative instrument or joint resolution that is to be filed for introduction that is subject to its procedures shall be prefiled no later than five o'clock in the evening of the forty-fifth calendar day prior to the first day of such regular session.

Requires that an Exemption Explanatory Note be attached which shall set forth the fiscal and economic effects of the exemption.

Proposed constitutional amendment provides that a "tax exemption instrument" must be subject to an official tax exemption analysis and recommendation procedure - which is defined as any bill or any joint resolution which enacts a "tax exemption", or amends or renews an existing "tax exemption", if such instrument would have the effect of materially reducing state revenues. "Tax exemption" is broadly defined to mean and include any tax exemption, exclusion, deduction, or credit against state tax.

However, the requirement is only effective for tax exemption instruments in a regular session for which the Legislative Auditor has provided written certification to the governor, the President of the Senate, and the Speaker of the House of Representatives by August First of the year prior to such regular session that the legislature has appropriated funds sufficient to adequately compensate both economist members of the Exemption Review Conference for their services for that regular session.

Proposed constitutional amendment 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.

Proposed constitutional amendment creates the Exemption Review Conference, composed of six 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) The Legislative Auditor, or his designee.
- (5) 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.

Proposed constitutional amendment 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.

Proposed constitutional amendment provides that when a tax exemption instrument is prefiled, the chief clerical officer of the house of origin must promptly provide a copy of the instrument and the attached Exemption Explanatory Note to the Exemption Review Conference. The two economists must 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.

Proposed constitutional amendment 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.

Proposed constitutional amendment 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.

Proposed constitutional amendment 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.

Proposed constitutional amendment 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 on January 1, 2016, but only for the purpose of allowing the legislature an opportunity to appropriate funds sufficient to adequately compensate both economist members of the Exemption Review Conference for their services for the 2017 Regular Session of the Legislature and regular sessions thereafter. The remainder of the proposed constitutional amendment becomes effective July 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))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Removes required 6-year sunset of both new and existing tax exemptions, exclusions, deductions, and credits.
2. Makes the prefiling requirement, and the review and recommendation process applicable only in a regular session for which the Legislative Auditor has provided written certification by August 1st of the year prior to such regular session that the legislature has appropriated funds sufficient to adequately compensate both economist members of the Exemption Review Conference for their services for that regular session.
3. Adds the Legislative Auditor, or his designee, as a member of the Conference.
4. Modifies the effective date as set forth above.