

2016 Regular Session

HOUSE BILL NO. 899

BY REPRESENTATIVE LEGER

SCHOOLS/DISTRICTS: Provides relative to the allocation of local funds by the Orleans Parish School Board for schools transferred to the Recovery School District

1 AN ACT

2 To amend and reenact R.S. 17:1990(C)(2)(a)(iii)(bb) and (cc), relative to funding of the
3 Recovery School District; to provide with respect to the amount of local funds to be
4 remitted by the Orleans Parish School Board; to provide relative to local revenue
5 exclusions applicable to the Orleans Parish School Board; to provide with respect to
6 the applicability of such exclusions; and to provide for related matters.

7 Notice of intention to introduce this Act has been published
8 as provided by Article III, Section 13 of the Constitution of
9 Louisiana.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 17:1990(C)(2)(a)(iii)(bb) and (cc) are hereby amended and reenacted
12 to read as follows:

13 §1990. Recovery School District; creation; governance; operation

14 * * *

15 C.

16 * * *

17 (2)(a)

18 * * *

19 (iii)

20 * * *

1 (bb) The total amount of the exclusions provided for in Subitem (aa) of this
2 Item shall not exceed ~~six~~ three million dollars annually. Actual expenditures in
3 excess of ~~six~~ three million dollars in any year shall be carried forward for recapture
4 in future years, if available.

5 (cc) The exclusions provided for in Subitem (aa) of this Item shall expire
6 upon the extinguishment of the costs associated therewith, upon any action of the
7 board to reduce the constitutional millage from the level in effect for Fiscal Year
8 2009-2010, except as required pursuant to a property reassessment, ~~twelve months~~
9 ~~following the full settlement of Orleans Parish School Board Special Community~~
10 ~~Disaster Loans, or~~ or on June 30, 2030, ~~twenty tax years from the roll forward~~
11 ~~millage adoption,~~ whichever occurs first.

12 * * *

13 Section 2. This Act shall become effective on July 1, 2016; if vetoed by the governor
14 and subsequently approved by the legislature, this Act shall become effective on July 1,
15 2016, or on the day following such approval by the legislature, whichever is later.

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 899 Engrossed 2016 Regular Session Leger

Abstract: Increases the amount of local revenues that must be remitted to the Recovery School District (RSD) by the Orleans Parish School Board each year and changes the maximum time period for which the parish may claim certain withholdings of local revenue from the RSD.

Present law provides relative to the funding of schools in the RSD. Requires the state to annually appropriate sufficient funds to each RSD school in an amount equal to 100% of the state share per student of the minimum foundation program (MFP) formula funds for the city, parish, or other local public school system from which the RSD school was transferred. Further requires a local school district to remit to the RSD a certain amount of local revenue dollars for each school transferred to the RSD from the school district. The sources of such local revenue are:

- (1) Sales and use taxes, less any tax collection fee paid by the school system.
- (2) Ad valorem taxes, less any tax collection fee paid by the school system.
- (3) Earnings from sixteenth section lands owned by the school system.

Proposed law retains present law.

Present law authorizes the Orleans Parish School Board (OPSB) to withhold certain extra amounts from its local revenues that would otherwise be transferred to the RSD. Such authorized withholdings are capped at \$6 million each year. Proposed law changes this cap from \$6 million to \$3 million.

Present law further provides that the extra withholdings allowed to OPSB expire upon attainment of the following conditions:

- (1) If the school board does not change millage rates, upon extinguishment of the obligation for which the excluded revenue was used.
- (2) If the school board reduces millage rates below the level in effect for FY 2009-2010, then upon the earlier of:
 - (a) 12 months after the full settlement of Orleans Parish School Board Special Community Disaster Loans.
 - (b) 20 tax years from the roll-forward millage adoption.

Proposed law changes the termination for such withholdings to the earliest of the following:

- (1) If the school board does not change millage rates, upon extinguishment of the obligation for which the excluded revenue was used.
- (2) If the school board reduces millage rates below the level in effect for FY 2009-2010, then upon such reduction.
- (3) June 30, 2030.

Effective July 1, 2016.

(Amends R.S. 17:1990(C)(2)(a)(iii)(bb) and (cc))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Education to the original bill:

1. Relative to present law conditions to be met in order for the extra withholdings allowed to Orleans to expire, provide for expiration upon a millage rate reduction rather than 20 tax years from a roll forward millage adoption. Also provide a date certain, June 30, 2030, by which all withholdings shall expire if not expired earlier.