



# Constitutional Amendments

## For Consideration

### Election Date: Tuesday, November 8, 2016

Prepared by House Legislative Services  
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**CA No. 1 – Registrars of Voters**

[Act No.677](#), House Bill No. 459, 2016 Regular Session  
Amends Article XI, Section 5



Do you support an amendment to provide that the manner of appointment for the registrar of voters in each parish is as provided by law and to require the qualifications of the registrar to be provided by law?

The present constitution requires the governing authority of each parish (the police jury or parish council) to appoint a registrar of voters. The present constitution provides that the compensation, removal from office for cause, bond, powers, and functions of the registrar of voters shall be provided by law, but that no law shall provide for removal of a registrar by the appointing authority.

The proposed constitutional amendment would provide that the manner of appointment of the registrar is also as provided by law and would require the qualifications of the registrar to be provided by law.

**CA No. 2 – College Tuition and Fees / Autonomy of Management Boards**

[Act No. 680](#), Senate Bill No. 80, 2016 Regular Session  
Adds Article VIII, Section 7.2



Do you support an amendment to authorize the postsecondary education management boards to establish the tuition and mandatory fee amounts charged by institutions under their supervision and management, without legislative approval?

The present constitution requires that all new fees and fee increases imposed by a state agency be enacted by a two-thirds vote of the legislature; this requirement applies to tuition and fees charged by public postsecondary education institutions.

This proposed constitutional amendment would authorize the boards of supervisors of the LSU system, the Southern University system, the University of La. system, and the Community and Technical Colleges system to establish tuition and fees charged by the institutions under their supervision without legislative approval.

**CA No. 3 – Deductibility of Federal Income Taxes Paid When Computing Corporate Income Taxes**

[Act No. 31](#), House Bill No. 31, 2016 1st Extraordinary Session  
Amends Article VII, Section 4(A)



Do you support an amendment to eliminate the deductibility of federal income taxes paid in computing state corporate income taxes?

The present constitution allows corporations and individuals to deduct the amount of federal income taxes paid when calculating their state taxes.

The proposed constitutional amendment would eliminate the deductibility of federal income taxes paid when computing **corporate income tax liability**. The deduction for federal income taxes paid for purposes of computing state individual income taxes would not be changed by passage of the proposed constitutional amendment.

**CA No. 4 – Property Tax Exemption for the Surviving Spouse of a Member of the Armed Forces or a Law Enforcement or Fire Protection Officer Killed in the Line of Duty**

[Act No. 678](#), House Bill No. 505, 2016 Regular Session  
Adds Article VII, Section 21(M)



Do you support an amendment to authorize an exemption from ad valorem property tax for the total assessed value of the homestead of an unmarried surviving spouse of a person who died while on active duty as a member of the armed forces of the United States or the Louisiana National Guard, or while performing their duties as a state police, law enforcement, or fire protection officer?

The proposed constitutional amendment authorizes an ad valorem property tax exemption for ad valorem taxes due in 2017 and thereafter for the total assessed value of the property for the unmarried surviving spouse of a person who died while on active duty as a member of the U.S. armed forces or La. National Guard, or while performing their duties as a state police officer, or a law enforcement or fire protection officer who qualified for state supplemental pay. Once granted, the exemption may be transferred to a different property under certain circumstances.

The proposed constitutional amendment establishes the following eligibility requirements for the exemption:

- (1) The property is eligible for the homestead exemption and the property was the residence of the member of the armed services or La. National Guard, or the state police, law enforcement, or fire protection officer when they died.
- (2) The surviving spouse has not remarried.
- (3) The surviving spouse annually provides evidence of their eligibility for the exemption.

The proposed constitutional amendment requires that each assessor establish a procedure whereby a person may annually apply for the exemption, which shall include the submission of documents evidencing the death and an affidavit concerning the surviving spouse's marital status.

The proposed constitutional amendment would be effective December 1, 2016.

## CA No. 5 – Revenue Stabilization Trust Fund

[Act No. 679](#), House Bill No. 603, 2016 Regular Session  
Adds Article VII, Section 10(F)(4)(h), 10.15, and 10.16



Do you support an amendment to establish the Revenue Stabilization Trust Fund for the deposit of recurring mineral and corporate tax revenues, to restrict the use of the fund to 10% of the balance when the balance reaches \$5 billion, to restrict the use of the fund to construction projects and transportation infrastructure, and to allocate recurring mineral revenues to the payment of state employee retirement debt?

The proposed constitutional amendment provides for the distribution of **mineral revenues** to retirement debt and puts a portion of **mineral** and **corporate tax revenues** collected by the state over a certain amount into the Revenue Stabilization Trust Fund. The fund is created in the proposed constitutional amendment.

Money in the fund can be used as follows:

- For construction projects and roads and bridges if the balance of the fund is over \$5 billion. The amount that can be spent is limited to 10% of the fund balance.
- Any amount appropriated by the legislature if approved by 2/3 of the members of the House of Representatives and 2/3 of the members of the Senate.

### Corporate Tax Revenues

Corporate tax revenues include taxes paid by corporations as a percentage of income from Louisiana sources and franchise taxes based on how much a corporation is worth. As of June, corporate revenues are expected to be about \$500 million in the current fiscal year; however, over the past decade there have been years where mineral revenues were over \$1 billion annually. Revenue forecasts can change based on a number of factors so the exact impact of the proposed amendment on future fiscal years is difficult to project.

Currently, all of the corporate tax revenues that are collected by the state go into the state general fund to support general government operations. The constitutional amendment proposes that up to \$600 million of corporate tax revenues collected will continue to go to the state general fund and anything over that would go into the Revenue Stabilization Trust Fund.

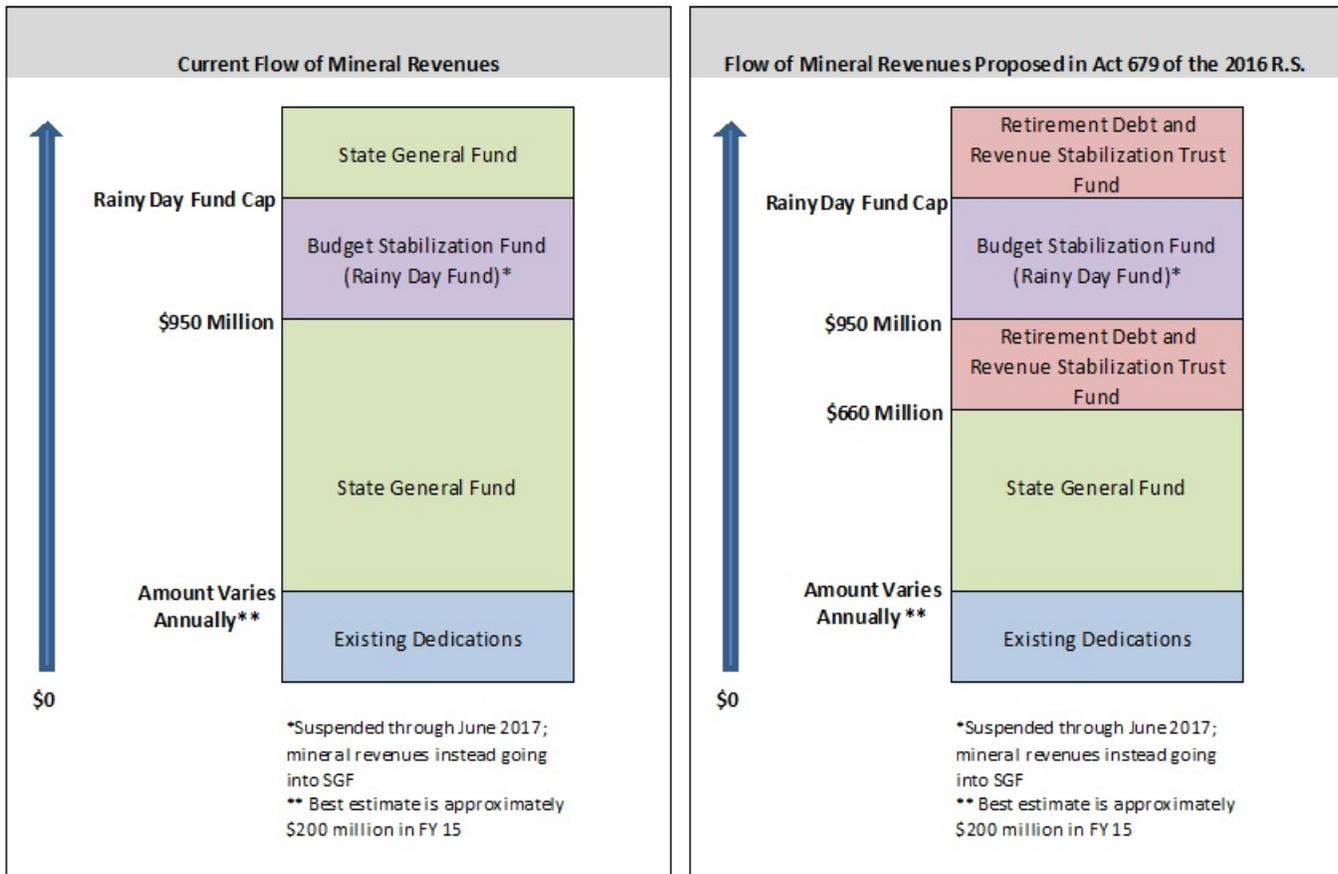
### Mineral Revenues

Mineral revenue is a collective term used to refer to taxes paid when natural resources, such as oil or natural gas, are taken from Louisiana grounds or waters (severance tax) and payments for the rights to Louisiana minerals or the lease of Louisiana land or water for mineral production. As of June, mineral revenues are expected to be about \$460 million in the current fiscal year; however, over the past decade there have been years where mineral revenues were over \$1 billion annually. Revenue forecasts can change based on a number of factors so the exact impact of the proposed

amendment on future fiscal years is difficult to project.

The constitutional amendment proposes to change where the mineral revenues would go once collected. Below is a graphic and written description of where mineral revenues flow currently and how they would flow under the proposed constitutional amendment.

**Comparison of Mineral Revenues: Current and Proposed in Act 679 of the 2016 R.S.**



**Current**

Up to \$950 million of mineral revenues collected, minus any dedications that are already in the constitution or in law, are deposited into the state general fund to support general government operations. Anything collected over \$950 million goes into the Budget Stabilization Fund (Rainy Day Fund).

The current constitution requires a cap on the balance of the Rainy Day Fund that is calculated based on state revenues in the previous year. Once the fund reaches this cap, no more can be deposited into the fund so the mineral revenues then flow into the state general fund.

## Proposed

The proposed constitutional amendment would maintain the current dedications of mineral revenues that are in law or the constitution and would maintain annual deposits into the state general fund up to \$660 million. The amendment would require that instead of the mineral revenues collected between \$660 million and \$950 million going into the state general fund, 30% would be appropriated to pay off the unfunded liability in two of the states' retirement systems – the Louisiana State Employees' Retirement System (LASERS) and the Teachers' Retirement System of Louisiana (TRSL) – that goes back to 1988, until the unfunded liability is gone. The current constitution requires the state to pay off the unfunded liability of these two retirement systems that existed before 1988, by 2029.

The remaining mineral revenues between \$660 million and \$950 million that are collected by the state, 70% initially then 100% once the unfunded retirement liability is paid off, would go into the Revenue Stabilization Trust Fund.

Also, 30% of the mineral revenues that would otherwise go into the Rainy Day Fund, but cannot because the Rainy Day Fund is at its cap, will go towards retirement debt with the remainder going to the Revenue Stabilization Trust Fund.

### CA No. 6 – Eliminating Projected Deficits

[Act No. 681](#), Senate Bill No. 201, 2016 Regular Session

Amends Article VII, Section 10(F)(2)(b); Adds Article VII, Section 10(F)(4)(h), (i), (j), (k), and (l)



Do you support an amendment to authorize the use of up to five percent of current year appropriations or allocations from statutorily or certain constitutionally created funds or up to one percent of the current year's balances in certain constitutionally created funds to eliminate a projected deficit in the next fiscal year if the official forecast for the next fiscal year is less than the official forecast for the current fiscal year or if the official forecast has been reduced by at least one percent from the most recently adopted estimate for the ensuing fiscal year, and to exempt certain funds and mandates from being used to eliminate a projected deficit?

The present constitution provides for means of eliminating a deficit projected for the current fiscal year and for the next fiscal year. For the current fiscal year, deficit elimination procedures are triggered if revenue forecasts drop during the course of the year.

For the next fiscal year, deficit elimination procedures are triggered if the official forecast for the **next fiscal year** is at least 1% less than the forecast for the **current fiscal year**. If deficit elimination procedures are triggered for the next fiscal year, then constitutional or statutorily created funds may be redirected to cover the projected deficit. The amount redirected cannot exceed 5% of the current year appropriation out of the fund and 1% of the Minimum Foundation Program (MFP) appropriation.

The proposed constitutional amendment makes two changes to the elimination of a projected deficit for the next fiscal year. These changes provide an additional condition for triggering deficit elimination procedures and increase the amount from constitutional funds that may be applied to future deficits:

- (1) The proposed constitutional amendment allows deficit elimination procedures to be triggered if the Revenue Estimating Conference revises its official forecast for the next fiscal year downward by at least 1% from one forecast to the next. The Revenue Estimating Conference may revise the official forecast for the next fiscal year multiple times.
- (2) The proposed constitutional amendment allows up to 1% of fund balances of constitutional funds to be used to eliminate a projected deficit for the next fiscal year.

The present constitution prohibits certain dedications and allocations from being applied towards the elimination of a deficit in the current or next fiscal year. The proposed constitutional amendment adds the following to the protected funds and allocations: the Coastal Protection and Restoration Fund, the Conservation Fund, the Oilfield Site Restoration Fund, any healthcare provider fees or assessments in the Hospital Stabilization Fund, the Louisiana Medical Assistance Trust Fund, and supplemental pay for full-time local law enforcement and fire protection officers.