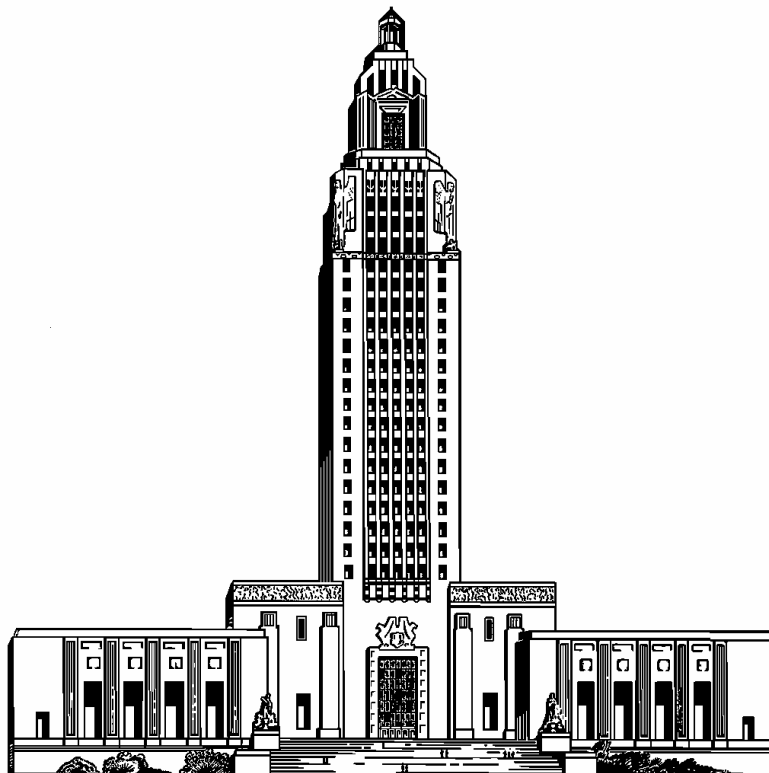


# HIGHLIGHTS

of the  
2002 First Extraordinary  
and  
Regular Sessions  
of the  
Louisiana Legislature



Prepared by:  
House Legislative Services  
June, 2002

This public document was published by the Louisiana House of Representatives at a total cost of \$498.12. 240 copies were printed by House Legislative Services, P. O. Box 44486, Baton Rouge, Louisiana 70804, to provide a summary of selected legislation (Highlights) from the 2002 First Extraordinary and Regular Sessions. This material was printed in accordance with the standards for printing by state agencies established pursuant to R.S. 43:31.

## TABLE OF CONTENTS

<b>Administration of Criminal Justice</b> .....	<b>1</b>
Crimes and Criminal Procedure .....	1
Sex Offenders .....	1
Terrorism .....	1
<b>Agriculture</b> .....	<b>3</b>
Aquaculture .....	3
Agriculture .....	3
<b>Appropriations</b> .....	<b>4</b>
Supplemental Appropriations .....	4
Dedication of Funds .....	5
START Tuition Program .....	6
Budgetary Procedure .....	6
Appropriation Bills .....	8
General Government .....	9
Economic Development .....	9
Public Safety and Corrections .....	10
Health and Hospitals .....	10
Social Services .....	12
Higher Education .....	12
Elementary and Secondary Education .....	13
Other Appropriations Bills .....	16
<b>Civil Law and Procedure</b> .....	<b>18</b>
Children .....	18
Prisoner Litigation .....	18
<b>Commerce</b> .....	<b>19</b>
Business Entities .....	19
Department of Economic Development .....	19
State Fire Marshal .....	19
<b>Education</b> .....	<b>20</b>
Student Tuition .....	20
START Tuition Program .....	20
Education Excellence Fund (Tobacco Settlement Monies) .....	20

Early Childhood Education .....	21
School Accountability .....	21
School Attendance .....	21
School Prayer .....	22
Minimum Foundation Program (MFP) .....	22
School Support Personnel .....	23
School Systems/Size .....	23
<b>Environment .....</b>	<b>24</b>
Department of Environmental Quality .....	24
<b>Health and Welfare .....</b>	<b>25</b>
Cancer Research Center .....	25
Abuse of the Elderly and Disabled .....	25
<b>House and Governmental Affairs .....</b>	<b>26</b>
Campaign Finance .....	26
Elections .....	26
<b>Insurance .....</b>	<b>28</b>
Rates .....	28
<b>Judiciary .....</b>	<b>29</b>
Alcoholic Beverages .....	29
Military Affairs .....	29
Courts .....	29
Crime Stoppers .....	30
<b>Labor and Industrial Relations .....</b>	<b>31</b>
Workforce Development .....	31
Health Care .....	31
<b>Municipal, Parochial and Cultural Affairs .....</b>	<b>32</b>
Local Government (2002 1st E.S.) .....	32
State Parks .....	33
Boards/Commissions .....	33
Local Government (2002 R.S.) .....	33
<b>Natural Resources .....</b>	<b>35</b>
Hunting and Fishing Licenses for Military Personnel .....	35
Department of Natural Resources Fees .....	35
Governor's Advisory Commission on Coastal Restoration .....	36
Hunter Education Program .....	37

<b>Retirement</b> .....	<b>38</b>
Reemployment of Retirees .....	38
Cost-of-Living Adjustments .....	39
Optional Retirement Plan .....	39
Employer Contribution Rate (2002 1st E.S.) .....	39
Employer Contribution Rate (2002 R.S.) .....	40
<b>Transportation, Highways and Public Works</b> .....	<b>41</b>
Office of Motor Vehicles .....	41
<b>Ways and Means</b> .....	<b>42</b>
Sales and Use Tax .....	42
Tax Credits .....	42
Local Taxation .....	43
Economic Development .....	44
Capital Outlay .....	44
Bonds .....	44
Ad Valorem Tax .....	45
Income Tax .....	45
Sales and Use Tax .....	47
Corporation Franchise Tax .....	48
Severance Tax .....	48
Taxation .....	49
Tobacco Tax .....	50
Vehicle Registration License Tax .....	50
Tax Credits .....	51
<b>HOMELAND SECURITY</b> .....	<b>52</b>



# ADMINISTRATION OF CRIMINAL JUSTICE

## 2002 FIRST EXTRAORDINARY SESSION

### CRIMES AND CRIMINAL PROCEDURE

#### **HB 47 by Scalise** (*Last Action – Act No. 74*)

Provides that a prisoner convicted and sentenced to incarceration by a court in another state shall not be housed for the commission of that offense in a state correctional facility in Louisiana. Provides that a prisoner convicted and sentenced to incarceration by a court in another state and housed in a local jail or private correctional facility in Louisiana shall not be released in this state. Requires the prisoner be returned to an appropriate correctional facility located within the state where he was convicted and sentenced for release in that state and that state is responsible with the costs associated with the prisoner's return.

Provides that a private correctional facility may house prisoners convicted and sentenced by another state if the prisoners would not be classified as maximum custody under the classification procedure of the DPS&C. Act does not apply to federal prisoners.

### SEX OFFENDERS

#### **HB 63 by Crowe** (*Last Action – Act No. 83*)

Requires persons convicted of sex offenses to register annually with law enforcement officials and to pay an annual registration fee of sixty dollars.

Increases criminal penalties for those who are required to register as a sex offender but fail to do so. For a first offense, the offender shall be fined not more than \$1,000 or imprisoned with or without hard labor for one to five years, or both. For a second offense, the offender shall be fined between \$1,000 and \$2,500, imprisoned with or without hard labor for three to 10 years, or both.

### TERRORISM

#### **HB 53 by Downer** (*Last Action – Act No. 128*)

Enacts the Louisiana Anti-terrorism Act. Defines the crimes of terrorism and aiding others in terrorism. Authorizes the interception of wire or oral communications

## **Criminal Justice**

---

related to the commission, attempted commission, or conspiracy to commit terrorism and aiding others in terrorism.

Excludes from the Public Records Law: criminal intelligence information pertaining to terrorist-related activities and threat or vulnerability assessments collected in the prevention of terrorist-related activity, including but not limited to physical security information, proprietary information, operational plans, and the analysis of such information.



# AGRICULTURE

## 2002 FIRST EXTRAORDINARY SESSION

### AQUACULTURE

#### **SB 82 by Ellington** (*Last Action – Act No. 125*)

Defines "catfish" as only those species within the family Ictaluridae or the family Anarhichadidae that are grown in the United States of America. Prohibits a person from labeling a product as "catfish" unless it fits within the above definition. Violators are subject to a civil penalty of not more than \$500 for each violation. Each day on which a violation occurs is a separate offense.

### AGRICULTURE

#### **SB 2 by Thomas** (*Last Action - Act No. 116*)

Authorizes a farmer's employees to sell produce or products, whether roadside, at a farmers' market, or other direct means. (Present law authorizes farmers to sell products directly to consumers.) Prohibits municipal, parochial, or state authorities from requiring payment of any permit fee, license fee or tax, or inspection fee for such direct sale.

#### **HCR 56 by Thompson** (*Last Action -Filed with Secretary of State*)

Memorializes the Louisiana congressional delegation, the United States Congress, and President Bush to support United States cattle producers by opposing any increased importation of foreign beef into the United States and to oppose any increase in tariffs on American beef until U.S. producers have meaningful access to foreign markets.

# APPROPRIATIONS

## 2002 FIRST EXTRAORDINARY SESSION

### SUPPLEMENTAL APPROPRIATIONS

#### **HB 103 by LeBlanc** (*Last Action – Act No.152* )

Appropriates supplemental funds in the amount of \$3,750,000 in State General Funds and \$17,027,012 in Federal Funds as follows:

##### From the State General Fund:

Dept. of Economic Development - Office of Business Development

For reimbursement of the NBA application fee and transition costs incurred in the relocation to New Orleans \$ 1,750,000

Provides that the first \$1.75 million deposited into the New Orleans Area Economic Development Fund be appropriated to the state for reimbursement of this payment to the Charlotte NBA Hornets and that the appropriation above is null and void in the event the Hornets do not relocate to New Orleans.

Dept. of Natural Resources - Office of the Secretary

For the Atchafalaya Basin Program for hydrilla control in Henderson Lake \$ 1,000,000

DOA - Unemployment Insurance Payments for additional expenses and payouts \$ 1,000,000

##### From Federal Funds:

Dept. of Social Services - Office of Family Support

From the TANF Supplemental Grant for initiatives to support children and families \$ 17,027,012

The following allocations shall be made from the TANF appropriation:

To the Dept. of Social Services to expand access and improve quality for low-income child care \$ 8,000,000

To the La. Community and Technical Colleges to provide training to low-income parents in targeted cluster areas and demand occupations \$ 5,000,000

To the Dept. of Education for educational enhancement programs for

---

## Appropriations

school-aged children through qualified community-based organizations or other entities utilizing research-based models and curricula and determined on a competitive basis	\$ 2,000,000
To the La. Housing Finance Agency to provide short-term and emergency housing initiatives to low-income families engaged in self-sufficiency activities	\$ 2,000,000
To the TANF Office of Oversight and Evaluation for evaluation, monitoring, and public awareness programs	\$ 27,012

### **HB 67 by Murray** (*Last Action – Act No. 164* )

Appropriates supplemental capital outlay funds to the Louisiana Stadium and Exposition District from the state general fund for the following:

NBA Upgrades for the New Orleans Arena (Null and void if the Charlotte Hornets do not relocate to New Orleans)	\$ 10,002,800
Construction of an indoor football practice facility for the New Orleans Saints	\$ 6,750,000

Provides that the projects are public purposes pursuant to the Constitution of Louisiana. Provides that contracts for these projects be awarded either through public bid and contract review process, except for time requirements, or through an RFP process whereby general contractors will bid general conditions and contractor's fee based on the direct construction budget. Provides for appointment of the design professional from a list of three firms or joint ventures with professional sports facility design experience and that such appointment is exempt from other state requirements for selection, except that the design fee shall be in accordance with state guidelines.

### **DEDICATION OF FUNDS**

### **HB 132 by LeBlanc** (*Last Action – Act No. 137*)

**Background:** The Deficit Elimination/Capital Outlay Escrow Replenishment Fund was established in Act 1185 of the 2001 Regular Session. The difference between the May 14, 2001, official forecast of general purpose revenue for FY 00-01 and the actual collections of such revenue were deposited into the fund and were used in the following priority order:

- (1) \$62,000,000 reserved to pay deficits of the Office of Group Benefits.

## Appropriations

---

- (2) \$10,000,000 as a partial payment satisfaction of debt owed to the state general fund by the Health Care Services Division (HCSD) of the LSU Health Sciences Center.
- (3) Financing of capital outlay projects for which the time has lapsed for sale of bonds.
- (4) Payment of FY 01-02 deficits of the Office of Group Benefits.
- (5) Payment of remaining debt to the state general fund by LSUHSC-HCSD.

**House Bill 132** retains these priorities except changes the allocation for the Office of Group Benefits to \$66,392,430 and the allocation to the Health Care Services Division of the LSU Health Sciences Center to \$68,926,574 and deletes subsequent allocations for those purposes. The bill provides for the remaining balance in the fund after payment of all other obligations to be transferred to the Self-Insurance Fund for prior expenditures paid out of the fund related to road and bridge hazard claims.

### **HB 158 by LeBlanc** (*Last Action – Act No.154*)

The first \$17.5 million of tax proceeds from the .03% sales and use tax collected by the Louisiana Tourism Promotion District is dedicated to the Dept. of Culture, Recreation and Tourism for tourism promotion purposes. \$1.5 million of this dedication was a temporary supplement to the base dedication (\$16 million), which was to expire on July 1, 2003. The Act makes permanent the \$1.5 million supplement, for a total dedication from these proceeds of \$17.5 million per year. The Act also authorizes the appropriation of additional tax proceeds for the same tourism promotion purposes.

### **START TUITION PROGRAM**

#### **SB 19 by Hoyt** (*Last Action – Act No. 20*)

The Louisiana Student Tuition Assistance Revenue Trust Program (START) is a program administered by the La. Office of Student Financial Assistance and qualified under Section 529 of the U.S. Internal Revenue Code as a mechanism for persons to establish savings accounts as owners to be used by named beneficiaries to pay the cost of eligible postsecondary education expenses. The Act makes the following changes to the START Program:

- (1) Expands the type of educational expenses for which START account monies may be used.

---

## Appropriations

- (2) Permits accounts that are invested in equities to be eligible for earning enhancement credits in the same manner as those accounts invested in fixed return investments.
- (3) With respect to the determination of whether accounts are fully funded, includes tuition and other qualified higher education expenses in amounts used to determine whether an account is fully funded.
- (4) Revises the definition of "tuition" to delete the exclusion of certain fees and charges.

### BUDGETARY PROCEDURE

#### **HB 160 by LeBlanc** *(Last Action – Act No. 107)*

With respect to the determination of a deficit in the state budget, the Act defines certain terms relative to the budget status report which the division of administration is required to present to the Joint Legislative Committee on the Budget (committee) at each meeting, and provides for the presentation of the state comprehensive annual financial report (CAFR) to the committee.

Previously, "deficit" was defined to be the excess for any fiscal year of actual expenditures over actual monies received for any fund at the close of the fiscal year. The Act defines "deficit" to mean "the excess for any year of actual expenditures paid by warrant or transfer over the actual monies received and any monies or balances carried forward for any fund at the close of a fiscal year as reported by the office of statewide reporting". The Act defines "surplus" to be the excess for any fiscal year of actual monies received and any monies or balances carried forward over expenditures paid by warrant or transfer for any fund at the close of the fiscal year as reported by the office of statewide reporting. The Act also defines "balance in any fund" to be the deficit or surplus in any fund at the close of a fiscal year.

With respect to the budget status report, the Act eliminates the required adjustment of such report to reflect the unreserved and undesignated CAFR balance, and instead provides that at the first meeting of the committee after the publication of the CAFR, the commissioner of administration shall certify to the committee the actual expenditures paid by warrant or transfer and the actual monies received and any monies or balances carried forward for any fund at the close of the previous fiscal year. Such certified expenditures and monies received shall be reflected in the budget status report.

#### **HB 168 by LeBlanc** *(Last Action – Act No. 111)*

## Appropriations

---

Relative to the Louisiana Government Performance and Accountability Act, this Act changes the name of the Exceptional Performance and Gainsharing Incentive Program to the Exceptional Performance and Efficiency Incentive Program. The Act provides for the process by which agencies may submit proposals for rewards to be granted by the Joint Legislative Committee on the Budget from monies appropriated from the Incentive Fund, adding various requirements for information and procedural aspects of the proposal process.

The Act further establishes the Gainsharing Program, whereby state agencies are encouraged to implement gainsharing plans for achievement of efficiencies in their operations which yield monetary savings while at the same time maintaining expected levels of performance. The employees responsible for achievement of gainsharing plans participate in the benefits of the savings. The Act further provides for the process by which agencies may apply for gainsharing authorizations, including review and approval by the commissioner of administration.

## 2002 REGULAR SESSION

### APPROPRIATION BILLS

#### **HB 1 by LeBlanc** (*Last Action – Enrolled*)

The total budget as adopted totals approximately \$16.3 billion, of which \$6.6 billion is State General Fund. Compared to the FY 01-02 budget, this represents an increase in the total state budget of approximately \$200 million, or 1.2%.

House Bill No. 1 was structured with a base budget in balance with the official revenue forecast and a supplemental section supported by \$563 million in anticipated revenue from the following sources:

Limitation on excess itemized deductions	\$	
76.4 million		
Suspension of exemptions on 4% sales tax	\$	
450.0 million		
Auto rental excise tax	\$	
4.5 million		
Tobacco tax	\$	14.2 million
Education tax credit	\$	18.0 million

The supplemental section was reduced from \$587 million in the original bill to account for the \$24 million reduction in excess itemized deductions (a tax reduction of 15%) and sales taxes (a tax reduction of 10% on food for home consumption and utilities on one cent of tax).

Major items included in the supplemental section as enacted by the legislature included:

- \$ 347.8 Medicaid (\$1.2 billion in total funding - 27% of total Medicaid budget, affects private providers, developmental centers, charity hospitals, etc.)
- \$ 50.2 Other DHH agencies, including Mental Health, Developmental Disabilities, Public Health, Medicaid Administration, and Addictive Disorders
- \$ 20.0 Support Personnel pay raise (another \$11.5 million for a one-time bonus is contingent on additional revenue)
- \$ 19.3 Urban and Rural Development funds
- \$ 14.2 Office of Youth Development Contract Beds
- \$ 4.0 Higher Education Biotechnology Fund
- \$ 2.0 Higher Education Performance & Quality Improvement Fund

# Appropriations

---

- \$ 7.6 Community and Technical College pool funding
- \$ 15.8 Higher Education Group Insurance payments
- \$ 4.3 Aid to Independent Colleges
- \$ 18.0 TOPS (6,857 awards)
- \$ 12.8 Accountability funding - summer school, tutoring, and school improvement grants
- \$ 19.6 Supplemental Pay for deputy sheriffs, police and firefighters (28% of total)

The following is a summary of major funding items in various areas of the state budget. Items included in the supplemental section are noted.

## GENERAL GOVERNMENT

Increase in funding for additional election costs	\$ 6.3 million
Additional state funding for Department of Environmental Quality (DEQ also received a \$7.5 million fee increase in Special Session)	\$ 7 million
Federal funding for \$4 bounty on nutria in Wildlife and Fisheries	\$ 2.2 million
Restoration of 30 positions in Agriculture and Forestry	\$ 1 million
Funding for agricultural related economic development activities through La. Agricultural Finance Authority	\$ 1.6 million
Office of Urban Affairs and Development (Supplemental) (30% increase in funding restores program to FY 00-01 level)	\$ 10.1 million
Office of Rural Development (Supplemental) (30% increase in funding restores program to FY 00-01 level)	\$ 9.1 million
Annualized funding for Homeland Security in Department of Military Affairs (Supplemental)	\$ 1.2 million
Additional self-generated revenues for increased operating expenses of La. Stadium and Exposition District related to Saints and Hornets sports franchises	\$ 10.6 million
Drug Abuse Resistance Education Program (D.A.R.E.) funded through increased tobacco tax (House Bill No. 157)	\$ 2.9 million
Community Living Ombudsman Program restoration and expansion	\$ 354,800
Arts Grants funding in Culture, Recreation & Tourism (Supplemental) 3,900,000	\$
State Aid to Public Libraries (Supplemental)	\$ 1,500,000

## ECONOMIC DEVELOPMENT



---

## Appropriations

Completion of the e-readiness plan	\$ 1 million
Louisiana Technology Park	\$ 4.3 million
State General Fund support for the following sporting events:	
Sugar Bowl	\$ 1.1 million
NCAA Men's Basketball Championship and Women's Volleyball Tournament	\$ 1 million
New Orleans Bowl	\$ 350,000
Independence Bowl	\$ 375,000
Compaq Classic Golf Tournament	\$ 250,000
Economic Development Award Program (Closing Fund)	\$ 8.7 million

### PUBLIC SAFETY AND CORRECTIONS

Restored funding for shelter care, residential and non-residential facilities in the Office of Youth Development	\$ 2.5 million
Juvenile Justice Settlement Agreement	\$ 4.6 million
State General Fund and federal funds for Homeland Security	\$ 2.9 million
Technology enhancements from dedicated funds for State Police and the Office of Motor Vehicles	\$ 3 million
State General Funds and dedicated funds for state trooper pay raises (increases starting salary from \$22,000 to \$36,000)	\$ 15.6 million
Additional funding for the State Crime Labs	\$ 1 million

### HEALTH AND HOSPITALS

#### **Public Health**

Restored the hemophilia program	\$ 1.2 million
Restored the Louisiana Genetics Program	\$ 1.8 million
Encephalitis testing	\$ 300,000
Restored collection and transportation of water samples from local water systems	\$ 900,000
Funding for Homeland Security bioterrorism programs	\$ 3.9 million

#### **Mental Health**

Provided child and family mental health services to seriously mentally ill parents with children under the age of five	\$ 700,000
Funded crisis intervention services, new medications, and assertive community treatment teams to reduce inpatient hospitalization among children and adults	\$ 7.9 million

# Appropriations

---

## **Developmental Disabilities**

Provided funding for community capacity building	\$ 4.9 million
Provided inclusive child care and parental training for disabled children under three years of age	\$ 500,000
Funded assertive community treatment teams in the developmental centers	\$ 1.2 million

## **Addictive Disorders**

Restores treatment services for court-ordered third and fourth DWI offenders	\$ 2 million
--	--------------

Transferred \$8.2 million for funding of Drug Courts to the Supreme Court.

## **Charity Hospitals and LSU-Health Sciences Center- Shreveport**

Funding for state prisoner care for which Federal funds can no longer be used	\$ 20.5 million
---	-----------------

## **Medicaid**

Medical Vendor Payments for health care costs for FY 02-03 is funded \$4.275 billion, a growth of \$147 million over FY 01-02. Payments to private health care providers account for \$141.8 million of the overall growth. State matching funds decline by 0.2% due to a more favorable Federal match rate.

Funding restored by legislative amendment to avoid reductions to private health providers	\$ 159 million
Additional 325 MR/DD waiver slots and 100 slots in a new capped expenditure waiver program for adults to be developed by DHH	\$ 6.1 million
Inflationary rate adjustments for nursing homes	\$ 27.2 million
Increased rates for children's dental services in the EPSDT program	\$ 3.5 million
Rate increases for non-emergency transportation services provided by certified ambulance operators	\$ 849,000
Rate increases for emergency transportation services provided by certified ambulance operators	\$ 1.4 million
Expansion of new CommunityCare program and payment of management fees to participating physicians	\$ 16.3 million
Increased costs anticipated from a major revision (MR/DD waiver rewrite) to the covered services and rates paid under the MR/DD waiver program	\$ 17.7 million

---

## Appropriations

Rate increases for physical, occupational, speech/language, and hearing therapy services for children under age 3	\$ 1.7 million
Increased payments to physicians for new patient office visits to 65% of the rates paid by Medicare	\$ 5.4 million
Expansion of Medicaid and La/CHIP to cover pregnant women with family incomes up to 200% of the Federal Poverty Level 5.2 million	\$
Behavioral Management services, beginning in September 2002	\$ 16.9 million
Personal Care Attendant (PCA) services beginning in October 2002 21 million	\$
Expanded Medicaid Payments to state facilities	\$ 3.6 million
New costs in Medicaid administration, especially for monitoring effectiveness of new programs and the Nursing Home case mix method of payment	\$ 9.6 million

# Appropriations

---

## SOCIAL SERVICES

In FY 01-02 a large balance for the federal block grant, Temporary Assistance to Needy Families (TANF), was identified. This prompted the expansion of existing TANF programs and the creation of new programs for FY 01-02 and 02-03. TANF funding for FY 02-03 is \$125.7 million. Major adjustments in TANF programs from FY 01-02 are highlighted below:

### TANF Major Adjustments from FY 01-02

Public Early Childhood Education (increased from \$15 million)	\$ 29.5 million
Non-Public Early Childhood Education (increased from \$3 million)	\$ 6 million
After-School Enrichment (increased from \$6 million)	\$ 8 million
Dropout Prevention (decreased from \$14 million)	\$ 7 million
Family Literacy (new program)	\$ 2 million
Utility Assistance (decreased from \$17.5 million)	\$ 3 million
Court Appointed Special Advocates (CASA) (increased from \$3.6 million)	\$ 4 million
Incarcerated Parent Training (increased from \$1.5 million)	\$ 3 million
Community Response Initiative (increased from \$5 million)	\$ 6 million

Funding is also provided for transportation, non-medical substance abuse treatment for women with children, family strengthening programs, early childhood intervention, teen pregnancy prevention, truancy centers, micro-enterprise development, home ownership, and domestic violence assistance.

## HIGHER EDUCATION

Performance and Quality Improvement Pool (of this amount, \$2 million is in Supplemental)	\$6.425 million
Capital Outlay funding	\$ 8.5 million
Governor's Biotechnology Initiative and health care workforce development (Supplemental)	\$ 4 million
Capital Outlay funding	\$5.875 million
Neurobiotechnology Initiative Capital Outlay funding	\$ 2.5 million
Teacher recruitment (of this amount, \$400,000 is in Supplemental)	\$ 800,000
Community and Technical College Development Pool (Supplemental)	\$ 7.6 million

---

## Appropriations

Homeland Security Training at the LSU Fire and Emergency Training Institute	\$ 500,000
LSU Paul M. Hebert Law Center for operational enhancement	\$ 300,000
Higher Education classified employee merit increases	\$ 10.1 million
Higher Education Group Insurance costs (Supplemental)	\$ 15.8 million

# Appropriations

---

## ELEMENTARY AND SECONDARY EDUCATION

Increase in MFP (\$2.44 billion for FY 02-03 compared to \$2.39 billion in FY 01-02 ), of which one-half, after adjusting for increases in students, must be used to supplement and enhance full-time certificated staff salaries and retirement benefits	\$ 54.9 million
Support Personnel Pay Raises	
Approximately \$500 per support worker (Supplemental)	\$ 20 million
One-time bonus of \$300 each contingent on additional revenues being recognized by Revenue Estimating Conference	\$ 11.5 million
TOPS increase (of this amount, \$18 million is in Supplemental)	\$ 93.9 million
Provides for 37,000 awards	
Accountability (of this amount, \$12.8 million is in Supplemental)	\$ 44.8 million
Includes the following:	
Summer School and Tutoring -	\$ 20.5 million
Distinguished Educators -	\$ 3.8 million
Testing -	\$ 14.7 million
School Improvement -	\$ 5.5 million
TYPE 2 Charter Schools, an increase of \$9 million over FY 01-02 to add two schools to the existing 12 schools and add approximately 4,000 students	\$ 22.2 million
Teacher Mentoring Program	\$ 1.5 million
Federal “No Child Left Behind” Law funding	\$ 64 million
Provides additional funding for:	
(1) Improving instruction in high-poverty schools and ensuring that poor and minority children have the same opportunity as other children to meet challenging state academic standards.	
(2) New reading funds.	
(3) New Teacher Quality funds.	
(4) Additional Special Education funds.	

## HB 200 by LeBlanc - Judicial Expense Act (*Last Action – Enrolled*)

Provides for the expenses of the judicial branch of government for Fiscal Year 02-03 by appropriating total funding of \$110,426,421 from the following sources: State General Fund \$93,254,280, Interagency Transfers \$11,430,192, and Statutory Dedications \$5,741,949.

---

## Appropriations

Appropriates funding for the ordinary expenses of the judiciary as follows:

(1)	Louisiana Supreme Court	\$ 29,096,830
(2)	Courts of Appeal	\$ 30,037,301
(3)	District Courts	\$ 23,281,990
(4)	Criminal Court, Parish of Orleans	\$
	4,007,197	
(5)	Juvenile and Family Courts	\$ 1,730,579
(6)	Other Courts (Required by Statute)	\$ 2,065,592
(7)	Other Courts (Not Required by Statute)	\$ 444,844
	For the Supreme Court for the Truancy and Assessment	
	Service Center in Rapides Parish	\$ 180,192
	For the Supreme Court for reimbursement to Hebert Law	
	Center for document storage	\$ 60,000
	<b>TOTAL</b>	<b><u>\$ 90,904,525</u></b>

Appropriates \$8,181,800 in State General Fund (Direct) for the Supreme Court for maintenance and enhancement of drug courts. Requires that the Department of Health and Hospitals, Office of Addictive Disorders, shall expend \$1,500,000 in federal funds appropriated in the General Appropriation Act for Fiscal Year 2002-2003, for use in providing inpatient substance abuse treatment services for adults and juveniles enrolled in the drug court program.

Appropriates \$11,340,096 to the Supreme Court through interagency transfers from the Department of Social Services for provision of truancy assessment services (\$2,340,096), court-appointed special advocate services (\$4,000,000), and drug court services (\$5,000,000), all as specified in the state TANF plan.

### **HB 243 by LeBlanc - Supplemental Appropriations Act FY 01-02** *(Last Action – Enrolled)*

Appropriates \$212.7 million in supplemental funds for Fiscal Year 2001-2002 for operating expenses of state government and other public purposes, including the following major areas of funding:

#### From State General Fund (Direct):

##### Dept. of Military Affairs

State match for FEMA funds for Tropical Storm Allison	\$ 9,274,733
---	--------------

Increased security at military installations	\$ 1,100,000
--	--------------

##### State Treasurer

## Appropriations

---

For retirement of debt by State Bond Commission

\$ 23,100,000



---

## Appropriations

### Agriculture and Forestry

For personnel and equipment related to testing  
of shrimp and crawfish \$ 700,000

### Dept. of Culture, Recreation and Tourism

For expenses of the Louisiana Purchase Bicentennial \$ 2,401,918

### Corrections Services - Sheriffs' Housing of State Inmates

Funding for additional costs for state inmates  
housed in parish jails \$ 7,200,000

### Public Safety Services - Office of State Police

For homeland defense activities \$ 4,632,688

For shortfall in Riverboat Gaming Enforcement Fund \$ 2,716,607

### Dept. of Education - Subgrantee Assistance

For salary increment due under PIP \$ 1,578,931

For restorations to local school districts impacted  
by reductions in the MFP formula \$ 3,748,534

### Other Requirements - Funds

For debt service payment for the Boll Weevil Program \$ 360,586

For deposit into the La. Medical Assistance Trust Fund \$ 66,768,568

For deposit into the Higher Education Initiatives Fund \$ 2,450,000

### Other

Reductions related to Executive Order MJF2002-04 (\$ 9,758,827)

Reductions related to Act 844 Reductions (\$ 500,000)

### From Statutory Dedications:

#### Office of Student Financial Assistance

For additional support of the TOPS program from the TOPS Fund \$  
814,941

#### Louisiana School for the Visually Impaired

Distribution of additional monies available in  
FY02 from the Educational Excellence Fund \$ 10,948

#### Louisiana School for the Deaf

Distribution of additional monies available in  
FY02 from the Educational Excellence Fund \$ 28,096

#### Louisiana Special Education Center

Distribution of additional monies available in  
FY02 from the Educational Excellence Fund \$ 8,875

For expenses related to the Office of Group Benefits \$ 53,952

#### Louisiana School for Math, Science and the Arts

Distribution of additional monies available in  
FY02 from the Educational Excellence Fund \$ 46,768

#### New Orleans Center for the Creative Arts

## Appropriations

---

Distribution of additional monies available in FY02 from the Educational Excellence Fund	\$	47,776
---	----	--------

---

## Appropriations

### Department of Education - Subgrantee Assistance

For distribution to local school systems of additional monies available in FY02 from the Education Excellence Fund \$ 81,430,977

Distribution of additional monies available in FY02 to Type 2 charter schools from the Educational Excellence Fund \$ 283,479

### Education - Nonpublic Educational Assistance

For distribution of additional monies available in FY02 from the Education Excellence Fund \$ 17,415,000

Directs the treasurer to transfer \$68,926,575 from the Deficit Elimination/Capital Outlay Escrow Replenishment Fund to the State General Fund as satisfaction of the debt owed by the Health Care Services Division of the Louisiana State University Health Sciences Center.

### **HB 208 by DeWitt - Legislative Appropriation Act** (*Last Action – Enrolled*)

Provides for expenses of the legislature and its service agencies for FY 02-03 including:

House of Representatives	\$ 23,683,142
Senate	\$ 13,759,179
Auditor	\$ 6,958,368
Legislative Fiscal Office	\$ 1,722,671
Louisiana State Law Institute	\$ 842,062
Legislative Budgetary Control Council	\$ 6,420,465
Total State General Fund	<u>\$ 53,385,887</u>

## **OTHER APPROPRIATIONS BILLS**

### **HB 242 by LeBlanc and Murray** (*Last Action – Enrolled*)

Under the President's Economic Stimulus Package that was passed by Congress in March of this year, Louisiana received a distribution of \$105 million of federal Reed Act funds that was deposited into the Unemployment Trust Fund.

## Appropriations

---

Reed Act funds are to be used to pay unemployment compensation benefits or if appropriated by the state legislature, to support the administration of its unemployment compensation law and public employment offices.

House Bill 242 appropriates \$36.5 million in federal funds from Louisiana's portion of the Reed Act distribution to the Employment Security Administration Fund. The bill further provides for appropriations out of that fund to the Department of Labor, Office of Workforce Development, for the following purposes:

For a comprehensive redesign for electronic automation of the Unemployment Insurance Tax and Benefits System	\$ 20,600,000
For the integration of new technologies and upgrades to existing technology infrastructure to improve services provided by the department	\$ 10,050,000
For the professional development of internal department staff to address special needs of targeted populations	\$ 5,850,000

# CIVIL LAW AND PROCEDURE

## 2002 FIRST EXTRAORDINARY SESSION

### CHILDREN

#### **HB 27 by Johns** (*Last Action – Act No. 62*)

Clarifies the calculation of child support in a shared custodial arrangement and applicable worksheet. Provides that the theoretical support obligation shall be cross multiplied by the actual percentage of time the child spends with the other parent. Clarifies that each parent's proportionate share of any direct payments made on behalf of the child to a third party shall be deducted from the basic support obligation.

### PRISONER LITIGATION

#### **HB 85 by Martiny** (*Last Action – Act No. 89*)

Provides procedures for the initiation of administrative remedies involving prisoner litigation. Revises procedures to address *Pope v. State*, 99-2559 (La. 6/29/01), 792 So.2d 713, which held that the Corrections Administrative Remedy Procedure Act as applied to tort actions was unconstitutional. Requires offenders to initiate their administrative remedies for delictual actions for injury or damages within 90 days from the date of the injury or damage. Excludes from judicial review any administrative decisions relative to delictual actions for injury or damages and provides that delictual actions for injury or damages shall be filed separately as original civil actions.

# COMMERCE

## 2002 FIRST EXTRAORDINARY SESSION

### BUSINESS ENTITIES

#### **HB 58 by Bruneau** (*Last Action - Act 79*)

Increases the annual filing fee for limited liability companies from \$10 to \$25. Increasing this fee makes annual filing fee amounts consistent among all business entities.

### DEPARTMENT OF ECONOMIC DEVELOPMENT

#### **SB 71 by B. Jones, et al.** (*Last Action - Act 150*)

Requires the Department of Economic Development (DED) to issue biennial reports on economic development activities to the House and Senate Commerce Committees and requires the legislative auditor to issue performance audits on certain economic development programs administered by DED. Report includes a cost benefits analysis of each economic development program and an incentives competitiveness analysis, which compares Louisiana's incentives to those offered in other states.

### STATE FIRE MARSHAL

#### **HB 89 by Pinac** (*Last Action - Act 132*)

Revises the licensing and regulation procedures for fire protection sprinkler system contractors, including the licensing of contractors, installers, and inspectors. Raises fees for each of these licenses, requires contractors to hold certain insurance policies, and increases fines for violations. Creates the Fire Sprinkler Trust Fund, the funds of which shall be used for the administration of this law.

# EDUCATION

## 2002 FIRST EXTRAORDINARY SESSION

### STUDENT TUITION

#### **HB 136 by DeWitt** (*Last Action – Act No. 138*)

Authorizes the LSU Bd. of Supervisors to establish for full-time resident students an annual program fee for the Master of Nursing, Nurse Anesthetist Program of the School of Nursing at the LSU Health Sciences Center in New Orleans and increase certain tuition and attendance fee amounts for the School of Allied Health Professions at the LSU Health Sciences Centers in Shreveport and New Orleans and the dentistry and medicine programs at the LSU Health Sciences Center in New Orleans. Provides for proportional amounts for part-time students and for summer sessions and provides for obtaining waivers of authorized amounts in cases of financial hardship.

#### **HB 141 by DeWitt** (*Last Action – Act No. 139*)

Authorizes the LSU Bd. of Supervisors to impose specific increases in tuition and nonresident attendance fee amounts for students in future entering classes at the Paul M. Hebert Law Center. Provides for proportional amounts for part-time students and for summer sessions. Specifies that the increases are from amounts in effect for the Spring, 2002, semester.

### START TUITION PROGRAM

See Appropriations section (*page 6*) for changes relative to this program.

### EDUCATION EXCELLENCE FUND (TOBACCO SETTLEMENT MONIES)

#### **HB 157 by Crane** (*Last Action – Act No. 161*)

Requires that the state treasurer offer each local school board (and specified others) the opportunity to enter into a contract to have certain of its tobacco settlement money invested and managed by the treasurer's office. Provides that the treasurer must take certain actions relative to such contracts, including that he collectively invest such money to gain the maximum earnings for each school board having such a contract, that separate accounts be maintained for each school board, that he transmit principal or earnings amounts to participating school boards upon the warrants of the respective

# Education

---

boards, and that he charge only certain investment and administrative fees. Specifies contract content, including provisions for the treasurer to invest the monies with the same authority and limitations applicable to the investment of the monies in the Louisiana Education Quality Trust Fund. Permits a participating school board to withdraw and expend monies from its account in the following order of priority: (1) to stabilize (in accordance with certain guidelines) the amount received in each year from the Education Excellence Fund, (2) to provide or enhance (in accordance with certain guidelines) age-appropriate early childhood education for four-year-old children, and (3) any permitted purpose for the use of Education Excellence Fund monies.

## EARLY CHILDHOOD EDUCATION

### **SB 33 by Bill Jones** (*Last Action – Act No. 25*)

Makes numerous changes to the program of early childhood education classes for four-year-olds originally enacted in the 2001 R.S. including:

- C Renames the program as the "LA 4" program.
- C Lowers the threshold for districts to participate in the program on a partial basis (so that more school systems can participate).
- C Clarifies that students eligible for no cost participation must pay the applicable lunch cost if they qualify for the reduced cost lunch program.
- C Changes the maximum per pupil amount of \$5,000 to instead provide for the expenditure of funding necessary for high quality classes that is appropriated. Requires that the funding for before and after school enrichment activities be based only on the number of eligible students actually participating.

## SCHOOL ACCOUNTABILITY

### **SB 14 by Theunissen** (*Last Action – Act No. 16*)

Reestablishes the School and District Accountability Fund (renames it the School and District Accountability Rewards Fund) and limits the use of monies appropriated from the fund to the provision of rewards to public schools earning monetary rewards pursuant to the state accountability system.



**SCHOOL ATTENDANCE****HB 21 by Thompson** (*Last Action – Act No. 59*)

Lowers the age from 17 to 16 for when certain students may attend alternative education or vocational-technical education programs. Provides that the state's compulsory school attendance law does not prohibit an otherwise eligible student who is at least 16 from enrolling in and attending a BESE-approved adult education program.

**SCHOOL PRAYER****HB 22 by Jane Smith** (*Last Action – Vetoed*)

Would have provided that no student attending any Bossier Parish public school shall be prohibited from participating in voluntary, student-initiated, student-led prayer at any time before, during, or after the school day provided that such prayer is nonsectarian, noncoercive, and nondisruptive. Would have specified that if the constitutionality of HB 22 was challenged, all costs of such challenge would be borne by the Bossier Parish School System.

**HB 13 by Perkins** (*Last Action – Act No. 56*)

Requires parish and city school boards to permit school authorities to allow an opportunity, at the start of each school day, for students and teachers desiring to do so to observe a brief time in **silent** prayer or meditation. In 1999, the legislature deleted the word "silent" from this law and in 2001 that law was declared unconstitutional in *Jane Doe vs. Ouachita Parish School Board, et al.* HB 13 simply reinserts the word "silent" into the law.

**2002 REGULAR SESSION****MINIMUM FOUNDATION PROGRAM (MFP)****SCR 139 of the 2001 Regular Session by Theunissen** (*Last Action – Enrolled*)

The Constitution of Louisiana provides that whenever the legislature does not approve the minimum foundation program formula most recently adopted by the State Board of Elementary and Secondary Education (BESE), the last formula adopted by the board and approved by the legislature shall be used for determining the cost of the minimum foundation program of education in all public elementary and secondary schools and

## Education

---

for the allocation of funds appropriated. On February 28, 2002, BESE adopted and submitted to the legislature a proposed MFP formula for FY 2002-2003. This proposed MFP formula was not approved by the legislature.

SCR 139 of the 2001 Regular Session is the last MFP formula adopted by BESE and approved by the legislature. Relative to salary increases, SCR No. 139 of 2001 specifies that for FY 2002-2003, 2003-2004, and 2004-2005, if the formula adopted by SCR No. 139 is still in effect and no other provision for an annual increase in certificated pay has been provided, 50% of the future increases in Level 1 and Level 2 funding shall be used for supplements and enhancements of full-time certificated staff salaries and retirement benefits.

See Appropriations section (*page 13*) for summary information relative to MFP funding for FY 2002-2003.

**HR 59 by Morrell** (*Last Action – Enrolled*)

**SR 44 by McPherson** (*Last Action – Enrolled*)

HR 59 and SR 44, duplicate instruments, request BESE to meet and consider an MFP formula for the FY 2002-2003 that addresses the teacher salary increase disparity. Both resolutions were considered and adopted during the final week of the 2002 Regular Session.

### **SCHOOL SUPPORT PERSONNEL**

See Appropriations section (*page 13*) for summary information relative to pay raises for public school support personnel.

### **SCHOOL SYSTEMS/SIZE**

**SCR 50 by Irons and Representative Murray** (*Last Action – Enrolled*)

Establishes the Local Education Governance and Administration Task Force to study, review, and make recommendations to the legislature and BESE by not later than Dec. 15, 2002, regarding the feasibility and advisability of dividing large school systems into smaller independent administrative units. Provides that the task force shall specifically address matters of funding, duplication of expense and effort, destructive competition, coordination, and governance. Further provides for task force membership including four members of the legislature.



# ENVIRONMENT

## 2002 FIRST EXTRAORDINARY SESSION

### DEPARTMENT OF ENVIRONMENTAL QUALITY

#### **HB 97 by Damico** (*Last Action-Act No.134*)

Authorizes the Department of Environmental Quality to increase fees paid and deposited into the Environmental Trust Fund by 20% beginning July 1, 2002. The fees may increase an additional 10% next fiscal year (FY 03-04), and authority for annual increases will return to the current 5% maximum increase the following fiscal year (FY 04-05). The increase will raise approximately \$7.2 million the first year and an additional \$4 million the second year. The Act also provides for increases in other specified fees.

#### **HB 143 by Damico** (*Last Action - Act No. 101*)

This legislation defines and prohibits "fraudulent taking" from the Waste Tire Program. Payments from the program for recycling tires may be made only for waste tires generated by replacing unserviceable tires with new tires in Louisiana. Creating and submitting false invoices or other such documents are also prohibited. Penalties are established for violations based upon the value taken from the program.

# HEALTH AND WELFARE

## 2002 FIRST EXTRAORDINARY SESSION

### CANCER RESEARCH CENTER

**SB 73 by Sen. Hainkel** (*Last Action – Act No. 41*)

**HB 147 by Landrieu** (*Last Action – House Committee*)

Creates the Louisiana Cancer Research Center of LSU Health Sciences Center in New Orleans/Tulane Health Sciences Center for cancer research and to receive National Cancer Institute designation for the health sciences centers. The Act provides that the center is under state laws governing nonprofit corporations whose purpose is to support activities of public institutions of higher education.

### ABUSE OF THE ELDERLY AND DISABLED

**HB 60 by Walsworth** (*Last Action – Act No. 80*)

Requires the Department of Health and Hospitals to notify parish law enforcement agencies of any report of physical or sexual abuse received by the department through adult protective services or through other laws requiring caregivers to report incidents of abuse, neglect, or exploitation.

# HOUSE AND GOVERNMENTAL AFFAIRS

## 2002 FIRST EXTRAORDINARY SESSION

### CAMPAIGN FINANCE

**HB 34 by DeWitt** (*Last Action – House Committee*)

**SB 97 by Cain** (*Last Action – Act No. 126*)

Prohibits a candidate, his agent, and his federal campaign committee from transferring, loaning, or contributing funds which are derived from contributions for a federal office subject to the provisions of the Federal Election Campaign Act of 1971 to the candidate, any political committee of such candidate, or to any other political committee which supports the candidate. Also, prohibits the candidate, his agent, and his federal campaign committee from using such federal funds to otherwise support his candidacy.

**SB 116 by Cain** (*Last Action – Conference Committee*)

Would have prohibited any person from forming a political committee, corporation, limited liability company, or other legal entity as a subterfuge to avoid accurately reporting the actual source and amount of contributions, loans, or transfers of funds by any person or the actual amount or recipient of any expenditures by any person or to avoid any other provision of the Campaign Finance Disclosure Act. Would have additionally provided for jurisdiction of the Supervisory Committee on Campaign Finance Disclosure if any person is alleged to have engaged in one or more of the following acts directed against another candidate or an employee or relative of another candidate (1) making harassing or threatening phone calls; (2) making written or spoken accusations which can be demonstrated to be baseless and without truth or substance or which possess the legal elements of libel; or (3) stalking, accosting, or making threatening gestures or intimidating acts as defined in the Louisiana Criminal Code. Would have provided for penalties and remedies for violations.

### ELECTIONS

**HB 83 by Bruneau** (*Last Action – Act No.130*)

Makes various changes to the Louisiana Election Code. Changes include: allowing the use of the small, electronic voting machines for absentee in person voting; allowing for the polling place for a particular precinct not to be opened on election day if (1) the

---

## **House and Governmental Affairs**

registrar determines that there are no voters eligible to vote for that particular election in the precinct or (2) the registrar determines that all of the voters eligible to vote in the precinct have voted; absentee; and allowing the commissioner of elections to determine if a voting machine shortage exists in a parish, and if so to first reallocate excess voting machines of the same type to the parish, then if a shortage continues to exist, to reduce the allocation of voting machines for each precinct and polling place to ensure that each polling place is allocated at least one voting machine.

# INSURANCE

## 2002 FIRST EXTRAORDINARY SESSION

### RATES

#### **HB 149 by Hebert** (*Last Action-Act 160*)

This Act made the first fundamental change in the process of determining rates for property and casualty insurance since the inception of the Louisiana Insurance Rating Commission. Under this Act, the highest and lowest acceptable rates will be determined by the rating commission at full hearings. Once those limits are established, the insurer will be able to adjust (float) the rate between the limits under a 30-day file and use procedure. In that procedure the insurer must show the adjustment is actuarially justified. The commission may deny the adjustment within 30 days if it is not actuarially justified. Also, the Act prohibits the commission from approving more than one rate increase in any six-month period.



# JUDICIARY

## 2002 FIRST EXTRAORDINARY SESSION

### ALCOHOLIC BEVERAGES

#### **HB 165 by Farrar** (*Last Action – Act 144*)

Increases certain annual permit fees wholesale and retail dealers and microbrewers are required to pay and obtain before engaging in the business of dealing in beverages of low alcoholic content in the following amounts:

- (1) Wholesalers -- \$1,000.
- (2) Retailers--Class A-General-\$70 for each place of business in the state.
- (3) Retailers--Class A-Restaurant - \$70 for each facility in the state.
- (4) Retailers--Class B, which authorizes the retailer to sell in sealed containers prepared for transportation and consumption off the premises --\$70.

### MILITARY AFFAIRS

#### **HB 15 by Downer** (*Last Action – Act 57*)

Provides for applicability of reemployment rights of persons called to active duty in the national guard of any other state. Provides for applicability and enforcement under the Military Service Relief Act (MSRA) of all of the benefits and rights under SSCRA and USERRA and provides for applicability to persons called to service in the uniformed services.

Requires the Louisiana Dept. of Labor to make available a notice that employers shall post in a conspicuous place stating that members of the national guard, military reserves, or active military have certain protected employment and reemployment rights and civil relief rights under USERRA, SSCRA, and MSRA and can contact Employer Support Guard and Reserve Committee at 1-800-336-4590 if they have been discriminated against or denied rights based on service in the uniformed services.

### COURTS

#### **HB 25 by Jane Smith** (*Last Action – Act 61*)

Provides for an additional judgeship in the 26th JDC (Bossier and Webster parishes).

## Judiciary

---

### **SB 37 by Hainkel** (*Last Action – Act 28*)

Provides for the office of commissioner for the 22nd JDC (St. Tammany & Washington parishes).

### **SB 61 by Bajoie** (*Last Action – Act 122*)

Creates and provides for the qualifications, compensation, offices, and duties of the first appearance hearing officer of the Municipal Court of New Orleans.

## **2002 REGULAR SESSION**

### **CRIME STOPPERS**

#### **HB 33 by Martiny** (*Last Action – Enrolled*)

Requires an additional cost of \$2 to be assessed when a defendant is convicted of violating any criminal or traffic offense in any district, parish, city, or mayor's court when a crime stoppers organization exists within the territorial jurisdiction of the court. Present law requires a defendant to pay a fee of \$1 to not more than \$3 when the court imposes probation for any offense other than traffic violations and a crime stoppers organization exists within the territorial jurisdiction of the court.

Requires all funds received by the crime stoppers organization through this fee to be used solely for the purposes of paying rewards to individuals who provide information on criminal activity to the crime stoppers organization, for the operation of a hot line used for receiving that information, and for other purposes which are directly related to obtaining information on criminal activities.

# LABOR AND INDUSTRIAL RELATIONS

## 2002 FIRST EXTRAORDINARY SESSION

### WORKFORCE DEVELOPMENT

#### **HCR 13 by Salter** (*Last Action-Filed with Secretary of State*)

Creates a task force to study and make recommendations for strategies and goals to best prepare Louisiana students for success in the workplace. The task force shall offer recommendations and priorities to eliminate the existing skills gap. The task force is required to meet before September 15, 2002, and to submit its findings and recommendations to the legislature prior to the 2003 Regular Session.

### HEALTH CARE

#### **SB 68 by Schedler** (*Last Action-Act 157*)

Establishes the Louisiana Health Works Commission in the Louisiana Workforce Commission. The commission is required to address workforce issues in the health care industry in Louisiana, support the education of future health care workers, and work to improve the image of health care professions within the state. The commission is required to make periodic reports to the Senate and House Committees on Health and Welfare and the Senate and House Committees on Labor and Industrial Relations.

# MUNICIPAL, PAROCHIAL AND CULTURAL AFFAIRS

## 2002 FIRST EXTRAORDINARY SESSION

### LOCAL GOVERNMENT

#### **HB 36 by Salter** (*Last Action – House Calendar*)

Would have authorized a board of aldermen to reduce the compensation of its members during the term for which they are elected.

#### **HB 37 by Salter**

##### **Constitutional Amendment** (*Last Action – House Calendar*)

Would have authorized parish governing authorities and municipal governing authorities, including those with home rule or other charters, and city, parish, or other local public school boards, which determine the compensation of their members, to reduce such compensation during the term for which the members are elected.

#### **HB 76 by Jane Smith** (*Last Action – declared a duplicate of SB 41*)

##### **SB 41 by Mount, et al.** (*Last Action – Act No. 31*)

Provides a mechanism for municipalities to annex vacant land upon the petition of landowners. SB 41 provides that if there are no resident property owners nor registered voters residing in the area proposed for annexation and the property proposed for annexation is vacant land, then the requirement for the written assent of a majority of the resident property owners and a majority of the registered voters on the petition shall not apply, so long as the petition contains the written assent of each of the nonresident property owners of each tract, lot, or parcel in the area proposed for annexation. Prohibits the adoption of an ordinance annexing vacant property across parish boundary lines unless first approved by the parish governing authority of the area to be annexed. Additionally provides that the parish in which the proposed vacant land to be annexed is located shall have standing to contest the reasonableness of the annexation. Provides procedures and requirements for judicial contest of such annexations. Provides relative to zoning regulations of annexed property.

#### **HB 169 by LeBlanc and Faucheux** (*Last Action – Act No. 112*)

Creates the Atchafalaya Trace Heritage Area Development Zone and provides for tax credits and exemptions for heritage-based cottage industries located in the zone.

---

## **Municipal, Parochial and Cultural Affairs**

Allows the Atchafalaya Trace Commission to abolish the Atchafalaya Trace Advisory Board under certain circumstances. Provides that upon designation of the Atchafalaya Trace Heritage Area as a national heritage area, the secretary of the U.S. Dept. of Interior may appoint a representative of the National Park Service to serve as a nonvoting member of the commission. Requires the commission to prepare annual budget requests for implementation of the management plan, including matches for federal funds.

### **HB 171 by McVea and Sen. Holden** *(Last Action – Act No. 147)*

Presently, subject to voter approval, ad valorem tax and sales tax increment financing is an allowable method for financing cooperative economic development. HB 171 adds provisions relative to tax increment financing for municipalities and parishes with population sizes below 200,000 and certain areas of Orleans Parish. Provides for the establishment of economic development districts by such municipalities and parishes and authorizes the issuance of revenue bonds, subject to voter approval, to be funded by tax increments derived from ad valorem taxes, sales taxes, and hotel occupancy taxes in the economic development districts. Provides procedures for the collection, allocation, and distribution of such revenues. Specifies that provisions of HB 171 shall not be construed to affect the provisions of SB 105 (2002 1st E.S.) relative to the World Trade Center Taxing District in New Orleans and the Capitol House Taxing District in Baton Rouge.

## **STATE PARKS**

### **HCR 19 by Faucheux** *(Last Action – Filed with the Secretary of State)*

Requests the Office of State Parks and the Louisiana Department of Wildlife and Fisheries to develop a plan for establishing state parks with rental cabins in wildlife management areas.

## **BOARDS/COMMISSIONS**

### **HCR 42 by LeBlanc** *(Last Action – Filed with the Secretary of State)*

Approves the Atchafalaya Trace Heritage Area Management Plan, extends the existence of the Atchafalaya Trace Commission for six years, and requests the commission to pursue National Heritage Area Designation.

## **2002 REGULAR SESSION**

# Municipal, Parochial and Cultural Affairs ---

## LOCAL GOVERNMENT

### **HB 73 by Farrar, et al.** (*Last Action – Act No. 6*)

Authorizes a school board, the governing authority of any municipality, and the governing authority of any parish to grant an exemption from their sales and use taxes for farm equipment. Also authorizes parish governing authorities to grant such exemptions from sales and use taxes levied by political subdivisions within their boundaries, except those levied by municipalities and school boards.

# NATURAL RESOURCES

## 2002 FIRST EXTRAORDINARY SESSION

### HUNTING AND FISHING LICENSES FOR MILITARY PERSONNEL

#### **HB 50 by Baldone** (*Last Action – Act No. 77*)

Allows any Louisiana resident on active military duty to receive a resident active duty military license, for a fee of five dollars, which license allows him to hunt and fish in the state. The license is valid from June 1 through June 30 of the following year. Effective June 16, 2002.

### DEPARTMENT OF NATURAL RESOURCES FEES

#### **HB 123 by Pierre** (*Last Action – Act No. 97*)

#### **HB 152 by Pierre** (*Last Action – Act No. 105*)

#### **HB 154 by Pierre** (*Last Action – Act No. 106*)

Effective July 1, 2002, Act No. 97 authorizes the commissioner of conservation, as part of his responsibilities in the regulation of oil and gas production in this state, to increase, in accordance with the APA, application fees by up to 8.5%.

Act No. 105 increases the maximum amount of revenue which the office may collect from the fee on producing wells from \$2,250,000 per year to \$2,450,000 per year. (Present law requires the office to develop a tiered system for allocating fee charges to individual wells.) Effective June 16, 2002.

Act No. 106, effective April 18, 2002, statutorily provides for the imposition of certain fees already charged by the Department of Natural Resources for certain services. Also increases lease application fee from \$200 to \$400 and provides for a yearly subscription fee of \$200 for receipt of application information in electronic form.

Clarifies that the \$1.6 million limitation on the Mineral Resources Audit and Collection Fund applies only to the amount which may be deposited from court-awarded judgments and settlements and that all income received from survey permits and other sources dedicated to the fund shall be credited to the fund.

## Natural Resources

---

Provides that the office of mineral resources is responsible for administration of all operating agreements, and 25% of operating agreement revenues are to be credited to the Mineral Resources Audit and Collection Fund.

Confirms the authority of the office of mineral resources to collect the fees authorized in the Act and provides that the fees are retroactive to the adoption and promulgation of the same fees under the APA and ratifies collection of those fees.

### **GOVERNOR'S ADVISORY COMMISSION ON COASTAL RESTORATION**

#### **HB 174 by DeWitt** (*Last Action – Act No.114*)

Creates the Governor's Advisory Commission on Coastal Restoration and Conservation consisting of the following members appointed by the governor:

- two members from the business and industrial community,
- two members from the academic community,
- two members from the nonprofit community,
- two members from the conservation community,
- two members from the agricultural community,
- two members from governing bodies of political subdivisions,
- two members from the energy production and distribution sector,
- two members from the fishing community (1 commercial, 1 recreational),
- one member from the oyster industry,
- two members representing coastal landowners,
- two members representing ports and related industries, and
- six members appointed at large.

Includes the House Speaker, the Senate President and the chairmen of the House and Senate Natural Resources committees or their designees and authorizes nonvoting participation by employees of federal agencies

Grants the commission the following powers, duties, and functions:

- (1) To advise the governor and the executive assistant for coastal activities relative to the status and direction of the coastal restoration program.
- (2) To provide a forum for coordinating coastal activities and the exchange of information regarding coastal preservation and restoration.



---

## Natural Resources

- (3) To foster cooperation on coastal preservation and restoration issues among federal, state, and local governmental agencies, conservation organizations, and the private sector.
- (4) To develop advice with respect to the identification and resolution of conflicts among agencies and stakeholders.
- (5) To review programs, conditions, trends, and scientific and engineering findings in order to recommend improvements to the state's coastal restoration and conservation efforts.
- (6) To assist in the identification of sources of funds and to develop advice with respect to developing recommendations for expenditures which are in the best interest of the state.
- (7) To report by March 1 each year to the governor and the legislature relative to the progress, challenges, and recommendations concerning the coastal restoration and conservation program.

Provides for staffing of the advisory commission by the Governor's Office of Coastal Activities. Requires that it meet at least once each quarter in the first year and when necessary thereafter. Prohibits per diem for members but authorizes reimbursement of travel and meal expenses.

### 2002 REGULAR SESSION

#### HUNTER EDUCATION PROGRAM

**SCR 31 by McPherson** (*Last Action – Filed with Secretary of State*)

**HCR 42 by Townsend** (*Last Action – House Calendar*)

Directs the secretary of the Department of Wildlife and Fisheries to move the Hunter Education Program from the Enforcement Division to the Office of Wildlife.

In addition, Senate amendments to HB 1 - the General Appropriations Bill - deleted the \$690,000 in Federal Funds and 11 positions associated with the Hunter Education Program from the Enforcement Division in the Office of the Secretary and relocated the program to the Office of Wildlife.

# RETIREMENT

## 2002 FIRST EXTRAORDINARY SESSION

### REEMPLOYMENT OF RETIREES

#### **HB 130 by Schneider** (*Last Action – Act No. 165*)

Returns the law regarding the reemployment of retirees in the **Louisiana State Employees' Retirement System** to its provisions before Act No. 455 of the 2001 Regular Session. A person who begins his retirement under this law has three choices:

- (1) Receive no more than 150% of the value of his retirement benefit when the total of his salary and retirement benefit amount are combined. His retirement benefit is reduced to the extent that it causes the receipt of more than 150% of the value of the benefit. His retirement benefit is suspended if the salary amount is equal to or greater than 150% of the value of the benefit.
- (2) Buy back into and rejoin the system.
- (3) Request a suspension of his benefit, accrue a supplemental benefit if he stays in the system 36 months, and receive a refund of his contributions if he stays less than 36 months.

For those rehired retirees who began receiving benefits as a result of Act No. 455, the law provides that they will continue to receive their benefits. For anyone who retired while Act No. 455 was in effect, the law provides him a fourth option:

- (4) Request a 12-month suspension of his benefit, receive his full benefit and salary after the 12 months, and accrue no additional benefit.

#### **HR 8 by Schneider** (*Last Action – Filed with Secretary of State*)

Requests the House Committee on Retirement to study the rehiring of retirees participating in the **Louisiana State Employees' Retirement System**, including various methods by which this may be accomplished and processes used in other states. Requires that the Committee report its findings to the House before the 2003 Regular Session.

### **COST-OF-LIVING ADJUSTMENTS**

#### **SB 29 by Hainkel** (*Last Action – Act No. 22*)

Provides for a one-time cost-of-living adjustment for judges and their widows who are not members of the **Louisiana State Employees' Retirement System**.

#### **HB 134 by Schneider** (*Last Action – Conference Committee*)

Would have provided that cost-of-living adjustments (COLAs) for members of the **Louisiana State Employees' Retirement System** (LASERS), become payable on January 1 instead of July 1 and that the LASERS board shall grant COLAs for a calendar year if funds in the Employee Experience Account, from which COLAs are paid, are sufficient as of the end of the prior fiscal year. Also would have specified that credits to and debits from the fund were on a fiscal year basis.

### **OPTIONAL RETIREMENT PLAN**

#### **HB 129 by Schneider** (*Last Action – Act No. 136*)

Allows persons otherwise eligible to be members of the **Louisiana State Employees' Retirement System** defined benefit plan to opt instead to participate in a defined contribution plan known as the Optional Retirement Plan (ORP). Reopens eligibility for the following persons to participate in the ORP: (1) unclassified state employees appointed by a statewide official whose appointments are subject to Senate confirmation, and (2) unclassified state employees who are members of the immediate staff of any such employee. The election to participate must be made within 90 days of the person's appointment and such election is irrevocable. Eligibility does not apply to any person appointed after 12/7/03 to the position which would otherwise make him eligible.

### **EMPLOYER CONTRIBUTION RATE**

#### **HB 108 by Walsworth** (*Last Action – House Retirement Committee*)

Would have increased the amount of the insurance premium assessment funds allocated to the **Firefighters' Retirement System**, the **Sheriffs' Pension and Relief Fund**, and the **Municipal Police Employees' Retirement System**; would have provided for the distribution of that increase based on need for meeting increased employer contribution rates.

## Retirement

---

**HB 110 by Daniel** *(Last Action – House Appropriations Committee)*

Would have increased the amount of the insurance premium assessment funds allocated to the **Firefighters' Retirement System**, the **Sheriffs' Pension and Relief Fund**, and the **Municipal Police Employees' Retirement System** for calendar years 2002 and 2003. The effect of this increase would have been to reduce the increase in the employer contribution rates.

**SB 100 by B. Jones** *(Last Action – Failed to Pass/Senate)*

Would have required that any increase in required contributions to the **Firefighters' Retirement System** be shared equally between the employers and employees. Would also have provided that any state monies allocated to provide relief from such an increase be used to offset both the employee and employer contribution rate equally.

### 2002 REGULAR SESSION

#### EMPLOYER CONTRIBUTION RATE

**HB 266 by Townsend** *(Last Action – Enrolled)*

Creates the Excess Revenue Collections Fund and provides for a state appropriation (contained in the General Appropriation Act) of up to \$9.036 million to the fund for the sole purpose of meeting increased employer contributions to the **Firefighters' Retirement System** (FRS) above the statutory minimum. This will help the municipalities whose firefighters are members of FRS meet their increased employer contributions for fiscal year 2002-2003 of 18.25% of payroll, up from the statutory minimum of 9%.

# TRANSPORTATION, HIGHWAYS AND PUBLIC WORKS

## 2002 FIRST EXTRAORDINARY SESSION

### OFFICE OF MOTOR VEHICLES

#### **SB 89 by Cain** (*Last Action – Act No. 46*)

Creates the crimes of operating a motor vehicle without lawful presence in the United States and giving false information regarding lawful presence in the United States in order to obtain a driver's license. Additionally, the bill removes out-of-state drivers' licenses and identification cards issued by federal, state, or local government agencies from the list of identification documents acceptable for issuance of a Louisiana driver's license or special identification card. Finally, the bill authorizes OMV to issue a driver's license or special identification card for less than four years in circumstances of medical limitation, limitation on lawful presence, or other special restrictions.

# WAYS AND MEANS

## 2002 FIRST EXTRAORDINARY SESSION

### SALES AND USE TAX

#### **HB 46 by Murray** (*Last Action – Act No. 72*)

Changes the dedication of a portion of the revenues from one cent of the state sales tax on hotel occupancy levied in Orleans Parish which were previously dedicated to various special purposes, including the grant program for tourism, economic development and other activities selected by members of the House of Representatives and Senate from Orleans Parish. Act No. 72 instead allocates \$2 million to the Ernest N. Morial - New Orleans Exhibition Hall Authority and the remainder into the “New Orleans Sports Franchise Fund” to fund contractual obligations of the state to any National Football League or National Basketball Association franchise located in Orleans Parish. Requires reimbursement to the state from the fund of up to \$1,750,000 to repay the application fee and relocation costs of the Charlotte Hornets. Dedicates the remainder of funds to the “New Orleans Area Economic Development Fund” for use for the legislative grant program. Changes the allocation from 65% for House members and 35% for Senate members to 50% each for the House and the Senate.

#### **HB 30 by Scalise** (*Last Action – Act No. 7*)

Provides for a state sales and use tax exclusion for certain custom computer software to be phased in over a four year-period and allows political subdivisions to exempt sales of certain custom computer software.

#### **HB 104 by Hammett** (*Last Action – Act No. 3*)

Provides for a sales and use tax exclusion on capital expenditures for new research equipment purchased by biotechnology start-up companies.

### TAX CREDITS

#### **HB 105 by Hammett** (*Last Action – Act No. 8*)

Provides for the Technology Commercialization Credit Program to provide a tax credit against income or corporation franchise taxes for those who invest in fees and costs related to obtaining the rights to use or the use of technology and invest, by lease or purchase, in machinery and equipment used in the commercialization of a product or

## Ways and Means

---

intellectual property owned or research sponsored by a regionally accredited college, technical school, or university located in Louisiana or any product or intellectual property to which significant development or enhancement occurred at a regionally accredited college, technical school, or university located in Louisiana.

### **HB 106 by Hammett** *(Last Action – Act No. 9)*

Authorizes the Dept. of Economic Development to award income or corporation franchise tax credits to qualifying taxpayers in an amount equal to 8% of the state's apportioned share of the taxpayer's expenditures for increasing research activities or equal to 25% of the federal research credit claimed if the taxpayer claims the alternative incremental tax credit pursuant to the Internal Revenue Code.

### **HB 17 by Scalise** *(Last Action – Act No. 1)*

Provides for an income or corporation franchise tax credit for the employment of residents of Louisiana in connection with the production of a motion picture. The credit shall be 10% of the total aggregate payroll of Louisiana residents employed in connection with such production when total production costs in Louisiana equal or exceed \$300,000 during the taxable year. The credit shall be 20% of the total aggregate payroll of Louisiana residents employed in connection with such production when total production costs in Louisiana equal or exceed \$1,000,000 during the taxable year.

### **SB 108 by Dardenne** *(Last Action – Act No. 6)*

Revises the Motion Picture Investor Tax Credit by granting the credit as a percentage of "base investment" in a motion picture production company instead of a percentage of "investor loss". Revises the definition of "motion picture production company" to mean a company engaged in the business of producing nationally distributed motion pictures, videos, television series, or commercials made in Louisiana.

## **LOCAL TAXATION**

### **HB 45 by Alario** *(Last Action – Act No. 72)*

Grants additional authority to Ernest N. Morial-New Orleans Exhibition Hall Authority to issue bonds to finance expansion projects and to provide for the levy and collection of an additional 1% hotel occupancy tax and a 1/4 of 1% tax on food and beverages sold by food service establishments, excluding convenience stores and establishments with gross receipts of less than \$500,000 in the prior year.





# Ways and Means

---

## ECONOMIC DEVELOPMENT

### **HB 144 by Hammett** (*Last Action – Act No. 153*)

Revises the La. Quality Jobs Program Act to provide quarterly rebates to qualified employers who execute rebate contracts with the La. Dept. of Economic Development. HB 144 repeals the "basic industry" approach of current law and requires employers to fall within certain specific categories in order to qualify for a contract. Increases the employer-paid health insurance premium requirement and increases the "benefit rate" upon which the rebate is based to the following percentages:

- (1) For new direct jobs created which pay at least  $1\frac{3}{4}$  times the federal minimum hourly wage, the benefit rate is 5%.
- (2) For a benefit rate of 6%, the employer's new direct jobs created shall pay at least  $2\frac{1}{4}$  times the federal minimum hourly wage and meet certain specified criteria.

### **HB 166 by Murray** (*Last Action – Act No. 110*)

Adds NBA basketball teams to the list of basic industries qualifying for benefits under Quality Jobs Program.

## 2002 REGULAR SESSION

## CAPITAL OUTLAY

### **HB 2 by Hammett** (*Last Action – Sent to Governor*)

### **HB 3 by Hammett** (*Last Action – Sent to Governor*)

Provides for the comprehensive capital outlay budget and for implementation of a five-year capital improvement program.

## BONDS

### **SB 80 by Holden** (*Last Action – Enrolled*)

Authorizes the issuance of debt financing instruments known as Grant Anticipation Revenue Vehicles (GARVEE) by the State Bond Commission to finance accelerated construction of certain state transportation projects. Provides for pledge of certain

federal highway funds as security for the bonds. Limits aggregate amount of principal and interest on such bonds to 10% of annual federal highway funds.

### **AD VALOREM TAX**

**HB 58 by Hebert** *(Last Action – Enrolled)*

**HB 59 by Hebert** *(Last Action – Sent to Governor)*

Removes the requirement that persons applying for the special assessment level for seniors reapply and requalify annually.

**HB 68 by Thompson** *(Last Action – Enrolled)*

**HB 84 by Thompson** *(Last Action – Sent to Governor)*

Authorizes the Board of Commerce and Industry to enter into ad valorem tax exemption contracts for development of retirement communities.

### **INCOME TAX**

**HB 171 by DeWitt** *(Last Action – Sent to Governor)*

Limits deductibility of excess federal itemized deductions from state income tax through taxable years ending prior to Jan. 1, 2004. For the next two years, the deduction will be increased as follows:

- (1) For taxable years beginning after Dec. 31, 2001 and ending before Jan. 1, 2003, the deduction shall equal 57.5% of the excess federal itemized deductions.
- (2) For taxable years beginning after Dec. 31, 2002 and ending before Jan. 1, 2004, the deduction shall be 65% of the excess federal itemized deductions.

**HB 55 by Faucheux** *(Last Action – Enrolled)*

Provides an individual income tax credit against the individual income tax for an amount equal to 10% of the total amount paid annually by an individual for certain long-term nursing insurance.

**HB 238 by L. Jackson** *(Last Action – Sent to Governor)*

**HB 172 by DeWitt** *(Last Action – Failed to Pass/House)*

Child Care Tax Credit *(HB 238)*

## Ways and Means

---

Increases the income tax credit for child care expenses to provide that a resident individual who claims a federal child care tax credit may receive a state child care tax credit based upon the following percentages:

---

## Ways and Means

<u>Federal Adjusted Gross Income</u>	<u>Percentage of Federal Credit</u>
\$25,000 or less	50%
\$25,001 to \$35,000	30%
\$35,001 to \$60,000	10%
Over \$60,000	Lesser of \$25 or 10% of the federal credit

The credit shall be refundable for resident individuals whose federal adjusted gross income is equal to or less than \$25,000. If the credit for resident individuals whose federal adjusted gross income is greater than \$25,000 exceeds the amount of such individual's tax liability for the taxable period, then such excess tax credit may be carried forward as a credit against any subsequent individual income tax liability of such individual for a period not exceeding five years.

### Education Tax Credit (*HB172 and HB238*)

Extends the suspension of the \$25 education tax credit for all tax years ending prior to January 1, 2006.

### **HB 152 by Montgomery** (*Last Action – House Calendar*)

### **SB 38 by Ellington** (*Last Action – Sent to Governor*)

Authorizes an "S Bank" shareholder to exclude from individual tax table income an amount equal to the portion of the shareholder's S Bank income reported to the IRS which is attributable to the net earnings used to compute the S Bank's share tax for property tax purposes.

### **HB 149 by Hammett** (*Last Action – Act No. 16*)

Repeals certain income tax provisions enacted by Act No. 690 of 1993 found unconstitutional in "Dow Hydrocarbons and Resources v. Kennedy".

### **HB 174 by DeWitt** (*Last Action – Failed to Pass/House*)

Would have reduced the excess itemized deduction and phased in an increase in the deduction when a certain percentage of revenue growth was achieved.

# Ways and Means

---

## SALES AND USE TAX

### **HB 169 by DeWitt** (*Last Action – Enrolled*)

Permanently makes certain exemptions from 1% of the state sales and use tax inapplicable, inoperable, and of no effect. Suspends certain exemptions from 3% of the state sales and use tax for the period July 1, 2002 through June 30, 2004. Reduces 1% of the state sales and use tax on food for home consumption and utilities by 10% of the state sales and use tax rate in effect on June 30, 2002, for the period July 1, 2002 through June 30, 2003, and by 20% of the state sales and use tax rate in effect on June 30, 2002, for the period July 1, 2003 through June 30, 2004.

### **SB 39 by C. Romero** (*Last Action – Sent to the Governor*)

Exempts the repair, renovation, or conversion of drilling rigs and equipment used exclusively for exploration and development of minerals in Outer Continental Shelf waters from the state and local sales and use tax.

### **SB 57 by Thomas** (*Last Action – Enrolled*)

Exempts from local sales and use tax the sale of prescription drugs under the Louisiana Children's Health Insurance Program effective January 1, 1999. Authorizes local governments to exempt the sale of prescription drugs used exclusively by the patient in the medical treatment of various diseases or injuries when administered exclusively to the patient by a physician, nurse, or other health care professional in a physician's office where patients are not regularly kept as bed patients for twenty-four hours or more. Further authorizes local governments to exempt the procurement and administration of chemotherapy drugs used exclusively by the patient in his medical treatment if administered by a physician, nurse, or other health care professional in a physician's office where patients are not regularly kept as bed patients for twenty-four hours or more. Also allows local governments to provide for an amnesty for any person who may have been responsible to collect and remit sales taxes on such transactions.

### **SB 71 by Bajoie** (*Last Action – Sent to Governor*)

Provides for a local sales and use tax exemption for the procurement and administration of cancer-related and chemotherapy prescription drugs used by the patient in his medical treatment when administered by a physician, nurse, or other health care

professional in a physicians's office where patients are not regularly kept as bed patients for 24 or more hours.

# Ways and Means

---

## **HB 82 by Daniel** *(Last Action – Sent to Governor)*

Phases in over four years a local sales and use tax exclusion for certain transactions related to manufactured homes. After January 1, 2006, 46% of retail sales price of a new manufactured home for residential purposes would be taxable and subsequent resale would not be taxable, the same as for the state tax.

## **HB 124 by Hammett** *(Last Action – Enrolled)*

Provides for an exclusion from state sales and use tax and a state sales and use tax credit for the initial purchase of certain digital television and digital radio conversion equipment. Authorizes the taxpayer to obtain a sales tax credit for prior purchases of such equipment purchased after January 1, 1999, and prior to the effective date of the Act. Authorizes local taxing authority to provide exemptions or credits for such equipment.

## **HB 175 by DeWitt** *(Last Action – Senate Calendar)*

Extended the suspension of certain exemptions to one percent of the state sales and use tax and provided for a reduction of 10% state sales and use tax on food for home consumption and utilities.

## **CORPORATION FRANCHISE TAX**

### **HB 4 by Alario** *(Last Action – House Calendar)*

Would have phased in a reduction and then repeal of the corporation franchise tax over a three-year period for taxpayers with less than \$500,000 of taxable capital.

## **SEVERANCE TAX**

### **HB 236 by Daniel** *(Last Action – Sent to Governor)*

Suspends severance taxes on inactive wells from July 1, 2002 through June 30, 2006.

### **HB 241 by Downer** *(Last Action – Sent to Governor)*

Repeals the severance tax on saltwater shrimp taken in Louisiana waters and enacts an excise tax applicable to such shrimp and on any shrimp imported into Louisiana.





# Ways and Means

---

## TAXATION

**HB 31 by Stelly** (*Last Action – Enrolled*)

**HB 36 by Stelly** (*Last Action – Enrolled*)

Reduces the personal income tax brackets and eliminates the excess itemized deduction and then provides that there shall be no state sales and use tax on food for home consumption, residential utilities and prescription drugs. Effective January 1, 2003, the state sales and use tax on such items shall not exceed 2% and after June 30, 2003, there shall be no state sales and use tax on such items.

Current law provides for an individual income tax at the following rates for the following brackets:

<u>Rates</u>	<u>2% of</u> <u>net income</u>	<u>4% of</u> <u>net income</u>	<u>6% of</u> <u>net income</u>
Single	Up to \$10,000	\$10,000 to \$50,000	over \$50,000
Joint	Up to \$20,000	\$20,000 to \$100,000	over \$100,000

House Bill 36 would change the income tax bracket structure in the following manner:

<u>Rates</u>	<u>2% of</u> <u>net income</u>	<u>4% of</u> <u>net income</u>	<u>6% of</u> <u>net income</u>
Single	Up to \$12,500	\$12,500 to \$25,000	over \$25,000
Joint	Up to \$25,000	\$25,000 to \$50,000	over \$50,000

**HB 256 by Montgomery** (*Last Action – Failed to Pass/House*)

Would have created the Louisiana Communications Tax District as a statewide special taxing district and authorized the district to levy and collect a 3% excise tax on communications services. The proceeds of the tax would have been transferred to parishes and municipalities on a per capita basis. Participating local governments would have been prohibited from levying certain taxes, fees, and charges on such telecommunication services.

**HB 166 by DeWitt** (*Last Action – Enrolled*)

Extends the 2.5% state and .5% local automobile rental tax until June 30, 2012. The local tax collected in Orleans Parish shall be distributed for road repairs and

beautification projects. The collections of the local tax in Jefferson Parish shall distributed as follows:

- (1) 1/3 of the tax shall be distributed to the city of Kenner for arts and recreation.
- (2) 2/3 of the tax shall be distributed to the Jefferson Performing Arts Society for programs on the east and west bank.

### **TOBACCO TAX**

#### **HB 167 by DeWitt** *(Last Action – Sent to Governor)*

Extends the increase of the tax on cigarettes from 20¢ per pack to 24¢ per pack until June 30, 2012.

#### **HB 157 by Landrieu** *(Last Action – Enrolled)*

Increases the tax on cigarettes from 24¢ per pack to 36¢ per pack and dedicates such proceeds to the LSU Cancer Research Centers in New Orleans and Shreveport, smoking cessation programs, the D.A.R.E. Program, the Office of Addictive Disorders in the Department of Health and Hospitals, the LSU and Southern Agricultural Centers, and the Office of State Police.

### **VEHICLE REGISTRATION LICENSE TAX**

#### **HB 244 by Morrish** *(Last Action – Enrolled)*

Imposes an additional vehicle registration license tax of \$3.25 per year on boat trailers to be paid once every four years until January 1, 2008, to fund the aquatic plant control program.

#### **HB 266 by Townsend** *(Last Action – Enrolled)*

Increases the minimum annual license tax on fire, marine, casualty, surety, and other insurers by \$5 and dedicates the proceeds of that increase and any increase in license tax collections over amounts received in FY 2000-2001 as follows:

Amounts collected in FY 2001-2002 in excess of collections in FY 2000-2001:

- (1) Excess collections up to \$5,750,000 are dedicated for payment of premiums to the Office of Risk Management as appropriated by the Legislature.

## Ways and Means

---

- (2) After satisfying the \$5,750,000 requirement, the next \$4,500,000 of such collections are dedicated to meeting increased employer contributions to the Firefighters' Retirement System over the statutorily required 9% for FY 2002-2003.

- (3) Next, an additional amount up to \$4,536,000 is dedicated for such payments to the Firefighters' Retirement System, but only if actual collections from taxes, licenses, and fees from all sources comprising the Official Forecast exceed the Fiscal Year 2001-2002 Official Forecast adopted by the Revenue Estimating Conference on April 30, 2002.

Amounts collected in FY 2002-2003 and thereafter in excess of collections in FY 2000-2001:

- (1) An amount up to \$15.6 million annually is dedicated to cover state police salary increases and related costs.

### TAX CREDITS

#### **HB 267 by DeWitt** *(Last Action – Enrolled)*

Reinstates and modifies the CAPCO tax credit program.

#### **HB 122 by Daniel** *(Last Action – Sent to Governor)*

Provides for an income and corporation franchise tax credit not to exceed 25% of the eligible costs and expenses for the rehabilitation of a historic structure located in a downtown development district for any taxable year. Any unused credit can be carried forward for up to five years. Further provides that the tax credit is limited to one credit per structure and is limited to \$250,000.

#### **HB 153 by Richmond** *(Last Action – Enrolled)*

Provides for a tax credit from income and corporation franchise taxes for certain low income community investments.

# HOMELAND SECURITY

## 2002 FIRST EXTRAORDINARY SESSION

### HOMELAND SECURITY

#### **HR 17 by Thompson** (*Last Action - Enrolled*)

Requests that the governor's Louisiana Domestic Terrorism Advisory Committee develop a plan for a grant information center responsible for collecting and distributing information pertaining to applying for and receipt of federal funds for security purposes.