NOV. 18 ELECTION **AMENDMENT 1**

Deadlines to Veto Bills and Rules for Veto Sessions

YOU DECIDE

A VOTE FOR WOULD:
Allow lawmakers to try to override a governor's bill rejections without calling a separate veto session if they are already in a legislative session and add further details about the deadlines for a governor to veto bills.

A VOTE AGAINST WOULD:
Require lawmakers trying to override a governor's bill rejections to hold a separate veto session if the vetoes came in a legislative session that has ended and keep the current rules for a governor to issue bill vetoes.

CURRENT SITUATION

Louisiana's governor has the authority to veto entire bills and to strike out individual items from budget bills through a line-item veto. A bill becomes law if a governor does not sign it or veto it within a specific time: 10 days after the governor receives the bill if the Legislature remains in session or 20 days after the governor receives the bill if the legislative session has ended.

When a governor rejects bills, the constitution calls for a veto session to be scheduled automatically, starting at noon on the 40th day following final adjournment of the most recent legislative session. If the 40th day falls on Sunday, the session starts on Monday. The veto session can't last more than five days. A majority vote of either the House or Senate through a written ballot can scrap the gathering. The deadline to cancel the session is five days before the veto session is scheduled to start.

Lawmakers had canceled every veto session scheduled under the 1974 constitution until the current four-year term. They've held three veto sessions since 2021, with several legislators saying they believe veto sessions will be convened more regularly in the future.

Until this term, lawmakers overturned only two gubernatorial vetoes under the current constitution, both during regular sessions. During this term, lawmakers have overturned two more bill vetoes, both during veto sessions.

Lawmakers have held multiple special sessions in recent years, with many of those special sessions immediately following or preceding a regular session. Legal disagreements emerged about how the veto rules apply if one session has ended but another is ongoing. Questions arose about which deadlines apply for bill veto decisions if lawmakers adjourned a regular session but were in a special session when the governor receives bills passed in the recently ended regular session. Clashing legal opinions also surfaced about how to handle a veto session if its constitutionally set timing falls during another legislative session.

Lawmakers in 2022 adjourned an ongoing regular session temporarily and held a separate veto session to overturn one of the governor's vetoes of a bill from a prior special session because the required timing of the veto session fell amid the regular legislative session. Lawmakers adjourned their regular session on March 29, held a one-day veto session on March 30 and then returned for the regular session on April 4.

PROPOSED CHANGE

The amendment would spell out the governor's deadlines for deciding the fate of a bill and rework the rules governing veto sessions in instances where lawmakers are gathered in another legislative session.

The governor would have 10 days to determine whether to sign or veto a bill after receipt if the Legislature remains in the same session in which lawmakers passed the bill. The governor would have 20 days to decide on a bill after receiving it if the legislative session in which lawmakers passed the bill has adjourned. If the governor doesn't sign or veto a bill within the appropriate time frame, it still would become law.

If a scheduled veto session would fall during a regular or special legislative session, lawmakers could consider overriding the bill rejections without holding a separate veto session. If lawmakers aren't in another legislative session, existing rules for a veto session would apply.

ARGUMENT FOR

Writers of the Louisiana Constitution didn't anticipate a governor or lawmakers would call so many special sessions in a term, so they didn't properly account for how to apply bill veto rules across multiple sessions when they fall close together. Lawmakers only started holding veto sessions this term, and timeline problems have become apparent. The rules need more clarity.

ARGUMENT AGAINST

The Louisiana Constitution is clear in its deadlines for bill vetoes and its rules for veto sessions. No need exists to add extra details and more words to an already cluttered document. Repeated special sessions and veto sessions may not be an issue in future terms. The changes only make the provisions more confusing.

Legal Citation: Act No. 278 (House Bill 166) by Rep. Gregory Miller of the 2022 Regular Session amends Article III, Section 18.

NOV. 18 ELECTION **AMENDMENT 2**

Repeal of Inactive Special Funds in the Constitution

YOU DECIDE

A VOTE FOR WOULD:	A VOTE AGAINST WOULD:
Remove six inactive funds with zero or near-zero balances from the Louisiana Constitution.	Keep the six inactive funds with zero or near-zero balances in the Louisiana Constitution.

CURRENT SITUATION

Louisiana lawmakers have dedicated various categories of state revenue, setting aside some money from certain taxes, mineral revenues, fees and settlements into special funds in the state treasury and requiring the funds be used only for specific purposes and programs. Many of these dedications and funds are created in the state constitution.

When the constitution was enacted in 1974, it contained only two special funds. In the nearly 50 years since then, lawmakers and voters have added more than two dozen more constitutional funds. No funds have been eliminated from the constitution since they were created. Some funds have longstanding zero balances or haven't been used in years, if ever.

PROPOSED CHANGE

The amendment would do away with six defunct funds that aren't being used and no longer fulfill the purposes for which they were created.

Five of the funds don't contain any money: the Agricultural and Seafood Products Support Fund, Atchafalaya Basin Conservation Fund, First Use Tax Trust Fund, Higher Education Louisiana Partnership (HELP) Fund and Millennium Leverage Fund.

INACTIVE FUNDS TO BE REMOVED

Atchafalaya Basin Conservation Fund
Higher Education Louisiana Partnership (HELP) Fund
Millennium Leverage Fund
Agricultural and Seafood Products Support Fund
First Use Tax Trust Fund
Louisiana Investment Fund for Enhancement (LIFE)

One fund that would be repealed, the Louisiana Investment Fund for Enhancement (LIFE), contains $604, according to the state treasury. It hasn't collected money in two decades, with the last deposit made in the 2001-02 budget year. The $604 would be transferred to the state general fund to use however lawmakers choose.

Lawmakers and voters added the LIFE fund to the state constitution in 1983 to set aside a portion of "windfall revenues" from the production of oil and gas in Louisiana above a base originally set at nearly $1.1 billion. The base then was adjusted annually using a formula tied to the federal Consumer Price Index. Louisiana appears not to have hit the benchmark in more than 20 years. Spending money out of the fund required a two-thirds vote of state lawmakers. Lawmakers withdrew $361,000 in the 2003-04 budget year, the last withdrawal recorded by the state treasury.

ARGUMENT FOR

Repealing inactive funds wouldn't change anything for the state financially, but it would clean up the cluttered Louisiana Constitution. Such dedications are better placed in state law where they can be reworked as Louisiana's financial circumstances and policies change. Defunct funds should be reviewed periodically and removed for lack of use.

ARGUMENT AGAINST

Lawmakers and voters created the funds for an initial purpose, and they may want to return them to use in the future. Highlighting their inactivity is a good way to review the original plans for the funds and determine if adjustments are needed. Leaving the funds in the state constitution doesn't harm anything.

Legal Citation: Act No. 199 (House Bill 254) by Rep. Polly Thomas of the 2023 Regular Session repeals Article VII, Sections 4(D)(4)(b), 10.4, 10.10 and 10.12(B) and (C) and Article IX, Sections 9 and 10.

NOV. 18 ELECTION **AMENDMENT 3**

Property Tax Exemptions for First Responders

YOU DECIDE

A VOTE FOR WOULD:
Allow a parish governing authority to give an extra property tax exemption to police, firefighters and certain other first responders who own homes and live in the parish.

A VOTE AGAINST WOULD:
Maintain the current property tax system, which doesn't let parish governing authorities offer the extra tax break to first responders.

CURRENT SITUATION

The Louisiana Constitution authorizes homeowners to receive an exemption from most parish property taxes up to $75,000 of the value of the homestead if they live in the home.

Additionally, the state provides many special property tax breaks for people depending on their status, such as homeowners with disabilities, some military veterans and homeowners of certain income levels who are 65 or older. Parish governing authorities also have the option to increase some of those exemptions under specific guidelines.

More than 197,000 homes received special assessments in 2022, the most recent year for which data is available from the Louisiana Tax Commission. The state prevents parishes and other local taxing bodies from imposing additional taxes, reappraising property or adjusting millages to make up the losses from those exemptions.

PROPOSED CHANGE

The amendment would let a parish governing authority, such as a parish council or police jury, approve an additional exemption from property taxes for up to $25,000 of the value of the home to qualified first responders who live in the parish.

Eligible first responders would include sheriffs, police officers and others deputized as peace officers; firefighters, including volunteer firefighters who meet specific criteria; certified emergency medical services (EMS) workers; emergency operators and dispatchers; and other full-time public employees involved with rapid emergency response.

Tax assessors in the parish where the additional property tax exemption is authorized for first responders would have to create an annual application process that includes documentation from an employer confirming the person is eligible for the tax break.

The state would continue to prevent parishes and other local taxing bodies where the first responder property tax break is approved from imposing additional taxes, reappraising property or adjusting millages to make up the losses from the exemption.

The provisions would apply to tax years starting in 2024.

ARGUMENT FOR

Granting an additional property tax break can help recruit and retain people in needed first responder jobs, and areas with severe shortages of police officers are searching for more ways to draw people to the work. Making the positions more attractive to potential employees can improve public safety. The parish governing authority, which relies on money from the property tax for its operations and services to residents, will make the decision whether to lessen its collections by authorizing the extra tax exemption for first responders.

ARGUMENT AGAINST

Special property tax breaks erode the dollars available to local government to provide needed services and shift the tax burden to fewer taxpayers. An extra tax exemption for first responders will decrease the tax revenue available to school systems and other local agencies, many of which won't have a say on whether to enact the exemption. It also will worsen an inequitable taxing system, where neighbors with houses of similar value can pay vastly different property tax bills.

Legal Citation: Act No. 179 (Senate Bill 127) by Sen. Royce Duplessis of the 2023 Regular Session add Article VII, Section 21(O).

NOV. 18 ELECTION **AMENDMENT 4**

Rule Changes for the Revenue Stabilization Trust Fund

YOU DECIDE

A VOTE FOR WOULD:	A VOTE AGAINST WOULD:
Tighten the rules on allowed use of a seven-year-old state trust fund that collects dollars from corporate tax collections and oil and gas production in Louisiana.	Maintain broad rules for emergency use of a seven-year-old state trust fund that collects dollars from corporate tax collections and gas production in Louisiana.

CURRENT SITUATION

Louisiana deposits higher-than-usual business tax collections and certain dollars from oil and gas exploration into the Revenue Stabilization Trust Fund to lessen the overreliance on volatile income sources for the state budget. The savings account, created by lawmakers and voters in 2016, quickly amassed more than $2.2 billion and is expected to grow larger. Most of the money comes from corporate income and franchise tax collections.

The savings account aims to lessen boom-and-bust budget cycles in Louisiana tied to wide fluctuations in revenue sources that are less stable than individual income and sales tax collections. Corporate income and franchise tax collections above $600 million annually and a portion of oil and gas production revenue (such as severance tax and royalty collections) above $660 million each year must flow to the trust fund, rather than to the state general fund. That limits the use of the money to specific guidelines and creates hurdles for accessing the cash.

Once the fund reaches $5 billion, lawmakers can spend up to 10% of the money on projects in the state construction budget and transportation infrastructure. However, the constitution lets lawmakers, with a two-thirds vote of the House and Senate, change the minimum fund balance triggers and the allowable percentage that can be spent on those projects. It also allows lawmakers to use any amount of the balance in an undefined emergency without reaching the $5 billion benchmark if they gain approval from two-thirds of their colleagues. They could theoretically drain the entire fund at any time with a two-thirds vote.

The Revenue Stabilization Trust Fund is separate from Louisiana's Budget Stabilization Fund, more commonly called the "rainy day" fund. That savings account contains a separate $900 million, largely filled with portions of state surpluses.

PROPOSED CHANGE

The amendment would remove the provision allowing withdrawals of any amount up to the full balance from the Revenue Stabilization Trust Fund in an undefined emergency with a two-thirds legislative vote and replace it with more restrictive language involving budget deficits. Lawmakers technically could still use the fund at any time, but it would take a more complicated series of votes and involve more constraints.

If the state faces a budget deficit in a current or upcoming financial year, lawmakers would be able to use up to $250 million from the Revenue Stabilization Trust Fund under certain circumstances with a two-thirds vote of the House and Senate.

However, they could only access the savings account after they've tapped into the state's separate rainy day fund, used the full amount of its money available to them and still have a budget deficit. Spending from the rainy day fund also requires two-thirds of lawmakers to approve, and lawmakers can only spend one-third of its balance in a fiscal year.

If lawmakers max out their use of the rainy day fund and a deficit remains in a current budget year, they could take out as much as $250 million from the Revenue Stabilization Trust Fund. If lawmakers max out their use of the rainy day fund and a deficit remains in the next budget year, they could take out only as much as is needed to fill the remaining gap, up to $250 million.

In other words, lawmakers facing a budget deficit would have to get a two-thirds vote to spend the maximum dollars allowed from the rainy day fund. Then, they likely would have to get a second two-thirds vote to spend up to $250 million from the Revenue Stabilization Trust Fund, with differing circumstances depending on which year contains a budget deficit.

Once they meet the budget criteria to remove money from the trust funds, they could spend dollars from both savings accounts for whatever purpose they choose. They also could spend above the $250 million limit from the Revenue Stabilization Trust Fund in a deficit year with a two-thirds vote of the House and Senate if they meet the other criteria.

The amendment wouldn't change the Louisiana Legislature's ability to spend up to 10% of the Revenue Stabilization Trust Fund balance on construction projects once the fund reaches $5 billion. It also wouldn't change lawmakers' ability to access the money sooner or spend a greater share of the dollars for those categories of projects with a two-thirds legislative vote. In any year, lawmakers could access the fund in any amount with a two-thirds vote, but the dollars could only be spent on construction projects and transportation infrastructure.

The method for depositing oil and gas revenue and corporate tax collections into the fund wouldn't be altered, so the amendment would not impact the amount of money that flows into the account.

ARGUMENT FOR

The Revenue Stabilization Trust Fund was created to bring more certainty to state budgeting and give lawmakers a financing source for needed infrastructure projects. Existing broad language allowing lawmakers to deplete the entire fund in anything they consider an emergency undermines the intent of the savings account and could let legislators squander billions of dollars.

ARGUMENT AGAINST

Louisiana locks up too much money in constitutionally protected accounts that limit lawmakers' ability to respond to the state's changing needs and circumstances. This amendment would worsen the problem, removing the Legislature's flexibility to tap into the Revenue Stabilization Trust Fund in times lawmakers consider an emergency. Conversely, if the intent is to keep the money from being squandered, the amendment doesn't go far enough to protect the dollars.

Legal Citation: Act No. 198 (House Bill 244) by Rep. Stuart Bishop of the 2023 Regular Session amends Article VII, Section 10.15(E)(1) and (F) and adds Article VII, Section 10.15(G).