



Police Jury Association

NEWS LETTER

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July 1, 2005

TO: Executive Board Members
Parish Presidents/Chairmen
Secretary Treasurers & Council Clerks
Parish Managers/Administrators
Region Presidents

FROM: Roland J. Dartez, Executive Director

2005 REGULAR SESSION REPORT NO. 9 THE FINAL WRAP-UP

The 2005 Regular Session, as with prior Fiscal Sessions, required us to play a lot of defense. For the most part we were able to urge the legislature to defeat a large number of bills that would have dramatically impacted local government revenue. In past years the big issues surrounded sales and use tax exemptions, but this session focused significantly on ad valorem millage rates and roll-forward authority. There were 72 pieces of legislation that sought to grant ad valorem exemptions, cap millage rates, or restrict or repeal the authority to roll-forward. By and large we were able to defeat or amend most of these bills. The ones that did make it through the process have either been amended to lessen the negative impact or will need approval as a constitutional amendment in November of 2006. Then, as every year, there was the Budget. Below is a breakdown of what we accomplished.

BUDGET NOTES

HB 1

- Rural Development Fund - \$7,586,933
- Video Draw Poker Local Government Aid - \$43,000,000
- Fire Insurance Fund - \$14,500,000
- Parish Transportation Fund - \$39,200,000
 - Parish Roads - \$31,237,500
 - Mass Transit - \$4,962,500
 - Off-system Bridges (Match Program) - \$3,000,000

*For the second year in a row the Governor's Rural Task Force recommendation's went unfunded during the legislative session, despite the fact that representatives from the Governor's Office of Rural Development toured the state last fall at our region meetings assuring our members that the Rural Parish Road and Bridge funds would receive **direct** appropriations at the level of 6 million and 3 million dollars respectfully. We will continue to support Chairman Senator Noble Ellington and the entire Task Force in their efforts.*

HB 841 – Revenue Sharing Fund - \$90,000,000

BILLS WE SUPPORTED THAT PASSED

SB 258 passed and was the first bill signed by the Governor (Act 1). This reinstates the \$500K cap on general damage claims per injured person against the State and local governments.

HB 625 (Act 96) solves the IRS problem with JP and Constable supplemental pay and off-duty officer witness fees. The new provisions will take effect Jan. 1, 2006.

HB 219 (pending) authorizes an increase in the OMV fees used to operate local OMV offices.

HB 133 (pending) allows for the termination of new civil service hires before the working test period expires.

HB 285 (pending) increases the maximum fine for violating a RR crossing signal.

HB 474 (pending) provides for an income tax check-off to fund the Community-based Primary Health Care Initiative Fund.

SB 48 (Act 120) provides immunity from certain liability for drainage districts.

SB 142 (Act 146) provides for the reimbursement to the parish or tax sale purchaser of certain notice costs when a taxpayer redeems tax sale or adjudicated property.

SB 322 (Act 156) provides for the Brownfields Investor Tax Credit.

BILLS WE SUPPORTED THAT DID NOT PASS

HB 625 (failed) would have substituted a statewide 2% tax on telecommunications in place of municipal franchises for telephone companies. The bill would have generated a net increase in annual local government revenue of approximately \$45 Million.

HB 210 (failed) would have provided for a specific bid law exception for governmental entities to participate in the NACo sponsored US Communities Program.

BILLS WE OPPOSED THAT PASSED

HB 415 (pending) eliminates the January bond election date. The PJAL, along with the School Boards and the LMA have requested that the Governor VETO this bill. Note: the bill was defeated in the Senate on Friday 6/17 (12 yeas – 24 nays) but passed on reconsideration on Sunday 6/19 (Fathers' Day night) (21 yeas – 10 nays).

There were a number of other bills that we opposed, initially, but after amendment, we withdrew our objection. The amendments either limited the scope of the original bill, reduced the fiscal note of the original bill (or the fiscal note turned out to be far less than originally expected), or removed objectionable aspects of the original bill. Such legislation includes:

HB 36 (pending) was amended to make the coverage for colorectal screening, which is already a part of the PGRMA Health Plan, subject to coverage agreement terms such as deductibles and co-payments.

HB 90 (pending) was amended to reduce the fiscal note to virtually nil. It currently only clarifies that certain Mardi Gras Krewe sales are already excluded from State and local sales taxes.

HB 212 (pending) merely extends an existing sales and use tax exemption for education materials purchased by nonpublic schools.

HB 301 (pending) merely codifies what is common practice in the collection of sales and use taxes for the lease of cranes.

HB 867 (pending) clarifies the law that currently exists that is intended to avoid the double taxation of a vehicle purchased out of state then re-registered in Louisiana.

SB 27 (pending) creates a sales and use tax exemption that appears to only apply to one sickle cell organization and has an annual fiscal impact of only \$1,000.

SB 32 would provide that certain property leased by, but not owned by, certain rural nonprofit hospitals would be exempt from ad valorem taxation, as if it were owned. This Constitutional Amendment will be on the ballot in November of 2006.

SB 57 (pending) will require employers to notify new hires of their potential eligibility for the federal earned income tax credit. It was amended to remove any penalty for the employer failing to comply.

SB 89 would add certain classes of property owners to those entitled to the special assessment (or assessment freeze) provisions of the Constitution. Veterans who are at least 50% disabled, killed in action, or held as prisoners of war for at least 90 days and who have income below certain limits would be entitled to the special assessment. Also, any person who is 100% disabled and meets the income requirements would also be entitled to the special assessment. These persons would be entitled to the special assessment so long as they meet all of the requirements. This was a conglomeration of several pieces of legislation. This Constitutional Amendment will be on the ballot in November of 2006.

SB 96 (pending) incorporates the provisions of **SB 108** (also pending) to provide two changes relative to ad valorem millage increases and roll-forward. First, if a property owner's assessment increases by 15% or more, then the Assessor shall mail the property owner a special notice of that increased assessment. Second, in order for a taxing body to conduct a valid millage roll-forward meeting it must publish a special block advertisement in the official journal and issue a press release, in addition to the existing notice requirements. These bills were amended to limit the fiscal burden on the taxing bodies and the Assessors concurred in the additional obligations.

SB 196 (pending) addresses the LA Supreme Court decision in *Willis-Knighton* by reinstating the societal expectations test for determining whether moveable property has become a component part of a building. There was express legislative history created to ensure that the sole result of the Act will be to reinstate the law to where it was prior to the ruling, no more no less.

SB 353 (pending) is a substitute for **SB 207** dealing with railroad crossings on local roads. The final version of the bill removed the proposal to suspend Parish Transportation Funds when a local government refused to comply with a DOTD request to close a local crossing. The bill does give DOTD the authority to close local crossings, but only after they follow an open process using objective federal criteria, and after consulting with the local governing authority, which has the opportunity for an appeal of a closure decision with which it disagrees. There are also liability limiting provisions in the bill.

OTHER ITEM OF NOTE

SB 4 (pending) provides for a non-profit corporation that meets certain criteria to change its corporate name to include the word "Parish". Pursuant to action of the Executive Board of the PJAL at its last meeting, the PJAL took no position on the legislation. The change is permissive only and will expire on July 1, 2006.