



# HOT TOPICS 2015 Legislative Session



Prepared by House Legislative Services Staff  
Louisiana House of Representatives

January, 2015

# Agriculture



## Use of unmanned aerial vehicles

- The commercial use of drones could be a useful tool to farmers in order to obtain timely crop data. A recent study estimated a \$213 Million impact to Louisiana in 2015-2017; however, the FAA is studying the issue with approval for commercial use of drones being more than a year away.



## Raw Milk

- Of interest is the sale of raw, unpasteurized milk from the farmer directly to the consumer. During the 2014 Regular Session, risks and benefits associated with consuming raw milk and raw milk products were debated.



## Assessments of various agricultural industries

- Citing improper delegation of legislative powers, a recent court decision struck down the assessment on rice production, the specifics of which assessment were under the control of the rice producers. Other statutes are similar in nature and are now suspect.

# Appropriations

## State Revenue Outlook



### Revenue shortfall

- While revenues are expected to increase in Fiscal Year 2015-2016, an increase in projected continuation expenditures and replacing funding in the current year that will not be available next year will cause a budgetary shortfall of approximately \$1.6 Billion.
- This shortfall is more than half of the \$2.6 Billion in discretionary state general fund expenditures which will limit the ability of the legislature to “spread” the loss throughout state government.

# Appropriations: Various Concerns

## Net State Tax Supported Debt Limitation

- An unforeseen consequence of a 2013 law increased the debt limit capacity of the state by approximately \$3.5 Billion. While the Governor and the State Bond Commission indicated they would “hold the line” at the pre-2013 debt limit, legislation may be introduced to formalize the lower amount.

## Declining OGB reserves

- OGB reserve fund has dropped from a high of \$500 Million to a projected \$119 Million. Additionally, many changes have been made since July 1, 2014 and legislators have expressed an interest in greater input and oversight.

## Additional funding for Minimum Foundation Program

- For Fiscal Year 2015, the MFP was funded at \$3.6 Billion, a 2.75% increase. Recently, the MFP Task Force recommended a 2.75% increase in the base for Fiscal Year 2016, \$5.4 Million in new funding.

## Higher education, tuition, and TOPS

- Since Fiscal Year 2008 – 2009, higher education funding has been reduced by approximately \$700 Million, much of which has been offset by higher tuition. However, fewer discretionary dollars and greater protection for health care dollars will expose higher education to potential reductions. Tuition increases, including who should have the authority to grant those increases, as well as the growing cost of TOPS, may also be of interest.

# Civil Law & Procedure



## Jury trial thresholds

- Lowering or raising dollar amount ‘in controversy’ in order to get a jury trial has been of recent interest in the legislature.



## Limitation of liability

- Legislation may be introduced to limit the liability of the state for road hazards, doctors and other medical professionals, and ‘legacy’ lawsuits.



## Mineral rights

- Royalty payments and determining ownership and boundaries of rural land, fueled by Haynesville natural gas fields and Tuscaloosa oil shale, may be discussed.

# Commerce

## Net metering

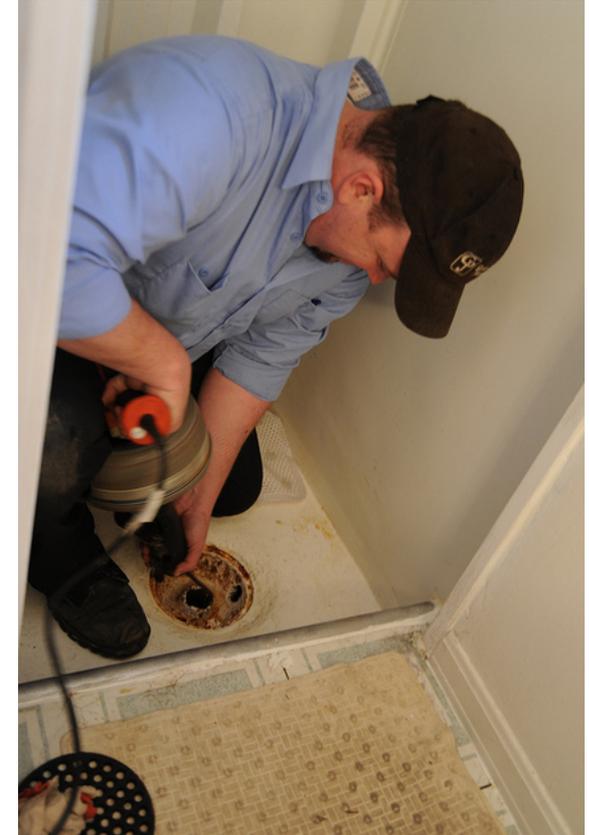
- There may be discussion of a possible change in price paid to owners who sell back to electrical companies excess electricity generated from the owner's solar energy system.

## International Plumbing Code

- Changes being promulgated by the Louisiana State Uniform Construction Code Council, to be effective January 1, 2016, may be of interest.

## Cybersecurity and data privacy

- The state may have an interest in monitoring an initiative by the federal government and private companies to increase national cybersecurity, strengthen enforcement, and establishing mandate for hacked companies to disclose breaches.



# Criminal Justice



## Firearm regulation

- Legislation to increase or limit the carrying of firearms in various locations may be introduced.



## Controlled dangerous substances

- The Legislature may consider legislation adding to the list of controlled dangerous substances a new compound of synthetic marijuana.



## Domestic violence

- Recommendations from the Domestic Violence Prevention Commission with respect to domestic violence prevention and intervention is expected.



## Cost of criminal defense

- Fueled by expanded use of the racketeering statute against gangs and human trafficking, financial pressure is being felt by cash-strapped public defenders.

# Education

## Common Core

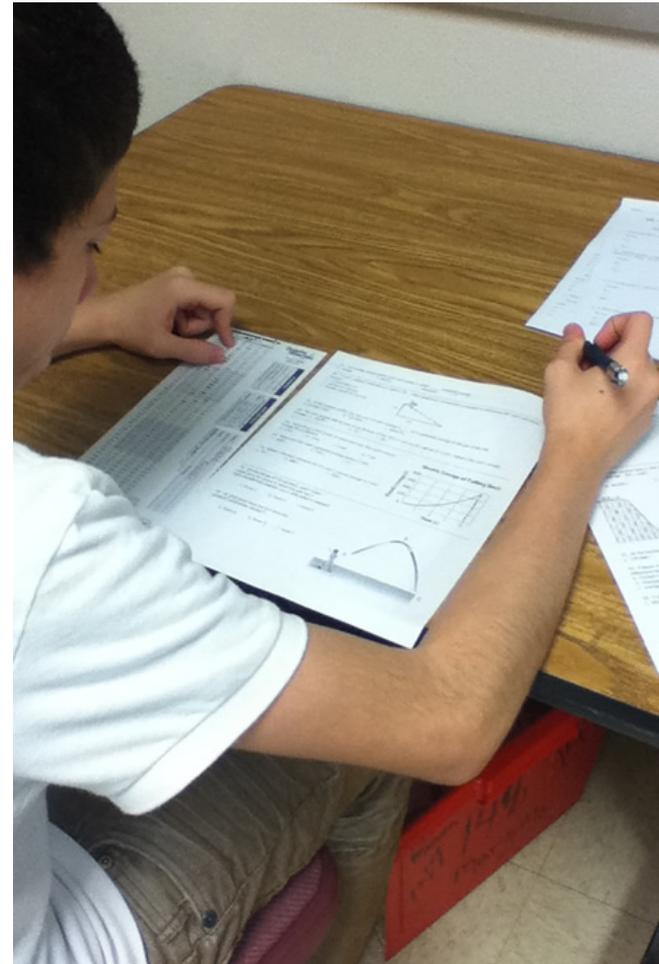
- Legislation may be introduced to restrict further implementation of Common Core State Standards and related student assessments (such as PARCC), provide for the development of new standards and assessments, and require legislative approval.

## Student Data/Privacy

- Possible changes to 2014 legislation regarding the collection, storage, and sharing of student data by and with Dept of Ed, BESE, local school boards, and other public & private agencies may be considered.

## Teacher Evaluation

- BESE's Accountability Commission may make recommendations regarding overall effectiveness of the professional employee evaluation program, which may include legislative changes to the value-added assessment model, growth measures, elements of evaluation, and standards for effectiveness .



# Health and Welfare

## Billing of sexual assault victims by hospitals

- Reports that victims of sexual assaults were being billed for medical treatment prompted immediate response by state officials, with possible legislation relative to emergency room procedures and administration of the Crime Victims Reparations Fund.

## Full transition to Medicaid managed care

- In 2011, Louisiana's Medicaid program began shifting delivery of health services to a managed care system, now administered through Bayou Health. DHH is moving to institute managed care for additional populations and services, such as mental health, persons with disabilities, and persons receiving nursing home care.

## Out-of-state prescriptions for controlled drugs

- In 2014, legislation was enacted to prohibit Louisiana pharmacies from dispensing more than a 10-day supply of certain pain medications if the prescribing doctor was not licensed in this state. However, this has reportedly caused some problems for those being treated at out-of-state facilities such as M.D.Anderson.

## Telemedicine and telehealth services

- Legislation in 2014 modernized state laws relative to the practice of telemedicine and telehealth services. Beyond monitoring changes in health care delivery as a result of this modernization, other issues may include technical standards for delivery systems, addressing barriers to telehealth expansion, and insurance coverage.

# Insurance

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## Licensing of Claims Adjusters

- There are concerns, possibly resulting in legislation, about a “loophole” whereby Louisiana residents are becoming licensed in another state and using Louisiana’s reciprocity provision to obtain their Louisiana claims adjuster license, thereby avoiding the harder Louisiana claims adjuster licensing exam.

## Ridesharing Companies

- The issue of automobile liability coverage for ridesharing companies such as Uber may be of interest, particularly in light of Louisiana’s jurisprudence that finds as a matter of public policy that “business use” exclusions are unenforceable if applied to a policyholder’s own vehicle.

## Health Insurance Exchanges

- Legal and policy issues continue regarding the Affordable Care Act, including an anticipated U.S. Supreme Court hearing in March regarding whether subsidies are proper for policies purchased on the federal health insurance exchange.

## Auto Repairs

- The state’s AG filed suit against a major insurer claiming that the insurer steered its insured and third parties to specific auto repair shops, in violation of laws regarding monopolies and unfair trade practices. There are also issues as to whether the insurer can require the use of aftermarket parts or whether the insureds are entitled to the use of Original Equipment Manufacturer parts.

# Judiciary

- The federal government, as the result of a review of federal funding and programs that provide equipment to state and local law enforcement agencies, (LEA) proposed a 3-year \$263 Million investment package intended to increase, among other things, the use of body-worn cameras by providing a 50% match to state and LEAs who purchase such cameras. Additionally, the investment package can be used for expanded training for LEAs and police department reform.

## Law Enforcement Authority



- In the fall of 2014, the House Select Committee on Homeland Security held an informative hearing on the issue of immigration and subsequently, some members met with the New Orleans Field Office Director for the U.S. Immigration and Customs Enforcement (ICE) regarding enforcement and removal operations. While the courts have been clear that the issue of immigration is largely reserved to Congress, the matter continues to be monitored at the state level.

## Immigration



# Labor and Industrial Relations



## Minimum Wage

- By Executive Order, the President established a minimum wage of \$10.10 for all workers on Federal construction and service contracts. Additionally, more than half of the states have raised minimum wages within the past year and 29 states now have minimum wages above the federal rate. Legislation is expected to be filed again in Louisiana.



## “Ban the Box”

- “Ban the box” is a national movement seeking to prohibit employers from inquiring about an applicant’s criminal history on the initial written employment application. While the state civil service did voluntarily elect to remove a question regarding previous arrests from its employment application, legislation could be filed to prohibit other employers from inquiring about arrest history on employment applications.



## Pay Equality

- Equal Pay for Women has been an on-going topic in Louisiana for several years. In 2013, the Equal Pay for Women Act was passed in this state requiring pay equality for women employed by the state. An expansion of that act was filed in the 2014 session and is likely to be filed again.

# Retirement

## Defined Benefit versus Defined Contribution Plans

- Currently, the four state retirement systems and the nine statewide retirement systems operate "defined benefit" (DB) retirement plans. A DB plan provides a lifetime benefit, is based upon salary and years of service, and is funded through employer and employee contributions and the system's investment earnings. By contrast, in a "defined contribution" (DC) plan, contributions are made to a 401(k) style account and are invested and managed by the member or a third party. Legislation has been proposed in the past to move new state hires into a DC or hybrid plan (such as a Cash Balance Plan). The DB versus DC plan debate continues on a national level and may spark debate in 2015.

## GASB Statement Nos. 67 and 68

- The Governmental Accounting Standards Board recently issued two new directives that impact government financial statements. The new directives are complex, but generally require each public retirement system to perform a separate valuation for financial statement purposes using different assumptions than the system uses for determining funding requirements. This will change how the funding of the system looks. Additionally, beginning this fiscal year, state and local governments will have to carry a portion of the unfunded accrued liability of every retirement system their employees are in on their financial statements.

# Transportation



## Funding for Transportation Infrastructure

- With a \$12 Billion backlog on state highway system needs, transportation and infrastructure funding continues to be of great concern. Legislators continue to search for sources of alternative funding for these infrastructure projects.

## Self-Driving Automobiles

- A growing number of states have passed legislation opening the door for self-driving vehicles on their roadways. The National Highway Traffic Safety Administration has said issues such as licensing, driver training, and how the vehicles will be operated are best handled by the states.

# Ways and Means



## Tax Expenditures

- With revenue projection estimates to create a budgetary shortfall of \$1.6 billion, proposals to reduce operating expenditures coupled with reductions in tax expenditures associated with various tax exemptions, deductions, and credits are likely to be seen this session.
- In Fiscal Year 2013, the state collected approximately \$384 million in corporate income and franchise taxes, \$2.7 billion in individual income taxes, and \$2.64 billion in sales and use taxes. However, in that same year, the state paid out an estimated \$2 billion in exemptions for corporate income and franchise taxes, \$2 billion in exemptions for individual income tax, and \$2.66 billion in sales tax exemptions.



## Tax Legislation, generally

- Only in odd-numbered years can the legislature consider “fiscal” proposals to levy or authorize a new tax, increase an existing tax, levy, authorize, increase, decrease, or repeal a fee, and legislate with regard to tax exemptions, exclusions, deductions, reductions, repeals, or credits. Hence, during the 2015 Regular Session such matters are certain to be introduced.