

House Committee on Ways and Means

Minutes of Meeting
2021 Regular Session
May 3, 2021

I. CALL TO ORDER

Representative Stuart J. Bishop, chairman of the House Committee on Ways and Means, called the meeting to order at 9:03 a.m. in Room 6, in the state capitol in Baton Rouge, Louisiana.

II. ROLL CALL

MEMBERS PRESENT:

Representative Stuart J. Bishop, chairman
Representative Gerald "Beau" Beaulieu, IV
Representative Ryan Bourriaque
Representative Marcus Anthony Bryant
Representative Phillip R. DeVillier
Representative Les Farnum
Representative Jason Hughes
Representative Wayne McMahan
Representative Buddy Mincey, Jr.
Representative Joseph A. Orgeron
Representative Neil Riser
Representative Malinda B. White
Representative Matthew Willard

MEMBERS ABSENT:

Representative Rhonda Gaye Butler
Representative Jeremy S. LaCombe
Representative Tammy T. Phelps
Representative Mark Wright

STAFF MEMBERS PRESENT:

Brittany Lea, committee administrative assistant
Alison Pryor, senior attorney
Catherine Zeringue, attorney

ADDITIONAL ATTENDEES PRESENT:

Representative Tanner D. Magee
Janet Anthony, sergeant at arms

III. DISCUSSION OF LEGISLATION**House Bill No. 7 by Representative Freeman**

Representative Freeman presented House Bill No. 7, which provides for a sales and use tax exemption for feminine hygiene products and diapers.

Representative Bishop offered a motion to report House Bill No. 7 favorably. Without objection, House Bill No. 7 was reported favorably by a vote of 12 yeas and 0 nays. Representatives Bishop, Bourriaque, Bryant, DeVillier, Farnum, Hughes, McMahan, Mincey, Orgeron, Riser, White, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 19 in support. Witness cards are included in the committee records.

Statements submitted in accordance with House Rule 14.33 in lieu of appearing before the committee are as follows: 9 in support. Copies of these statements are included in the committee records.

House Bill No. 57 by Representative Coussan

Representative Coussan presented House Bill No. 57, which exempts oil production of certain oil wells from severance tax.

Representative Bryant, District 96, 209 West Main Street, Suite 405, New Iberia, LA 70560, (337) 373-9380, co-author of House Bill No. 57, spoke in sponsorship of this measure.

Representative Bryant offered amendments which: (1) provide that proposed law exemption for newly drilled wells does not apply to horizontally drilled wells; (2) include sidetracks as well enhancements for newly completed wells; (3) provide that the exemption for newly completed wells lasts for the first 5,000 barrels produced following completion of the enhancement; (4) provide for the definition of operating costs; and (5) make technical changes.

Representative Bryant offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 9 yeas and 0 nays. Representatives Bishop, Bryant, Farnum, Hughes, McMahan, Mincey, Orgeron, Riser, and White voted yea.

Dr. Greg Upton, LSU Center for Energy Studies, 1071 Energy, Coast and Environment Building, Baton Rouge, LA 70803, (225) 578-4140, spoke for information only on House Bill No. 57 and presented a PowerPoint entitled "Dynamic Scoring House Bill No. 57", Exhibit A, which is included in the committee records.

Representative Riser in the chair

Mr. Mike Moncla, Louisiana Oil and Gas Association (LOGA), 1331 Lakeridge Drive, Baton Rouge, LA 70802, (337) 319-9195, spoke in support of House Bill No. 57.

Mr. Tyler Gray, Louisiana Mid-Continent Oil and Gas Association (LMOGA), 730 North Boulevard, Baton Rouge, LA 70802, (225) 505-3459, spoke in support of House Bill No. 57.

Mr. Guy Cormier, Police Jury Association of Louisiana (PJAL), 707 North 7th Street, Baton Rouge, LA 70802, (225) 343-2835, spoke in opposition to House Bill No. 57.

Representative Bishop offered a motion to voluntarily defer action on House Bill No. 57. Without objection, action on House Bill No. 57 was voluntarily deferred by a vote of 9 yeas and 0 nays. Representatives Bishop, Bryant, Farnum, McMahan, Mincey, Orgeron, Riser, White, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 4 in support and 1 in opposition. Witness cards are included in the committee records.

House Bill No. 661 by Representative Coussan

Representative Coussan presented House Bill No. 661, which exempts oil production of certain newly drilled wells from severance tax.

Representative Bishop offered a motion to voluntarily defer action on House Bill No. 661. Without objection, action on House Bill No. 661 was voluntarily deferred by a vote of 9 yeas and 0 nays. Representatives Bishop, Bryant, Farnum, Hughes, McMahan, Mincey, Orgeron, Riser, and White voted yea.

Witness cards submitted by individuals who did not speak are as follows: 6 in support and 2 in opposition. Witness cards are included in the committee records.

House Bill No. 658 by Representative Coussan

Representative Coussan presented House Bill No. 658, which exempts oil production of newly completed wells that are undergoing or have undergone certain well enhancements.

Dr. Greg Upton, LSU Center for Energy Studies, 1071 Energy, Coast and Environment Building, Baton Rouge, LA 70803, (225) 578-4140, spoke for information only on House Bill No. 658.

Representative Bryant offered a motion to voluntarily defer action on House Bill No. 658. Without objection, action on House Bill No. 658 was voluntarily deferred by a vote of 9 yeas and 0 nays. Representatives Bishop, Bryant, Farnum, McMahan, Mincey, Orgeron, Riser, White, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 7 in support and 2 in opposition. Witness cards are included in the committee records.

House Bill No. 662 by Representative Coussan

Representative Coussan presented House Bill No. 662, which exempts oil production of certain orphaned wells from severance tax.

Dr. Greg Upton, LSU Center for Energy Studies, 1071 Energy, Coast and Environment Building, Baton Rouge, LA 70803, (225) 578-4140, spoke for information only on House Bill No. 662.

Representative Riser offered amendments which remove language that provides that the calculation of operating costs begins from the date that the Dept. of Natural Resources permitted operation completed. Representative Riser offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 9 yeas and 0 nays. Representatives Bishop, Bryant, Farnum, McMahan, Mincey, Orgeron, Riser, White, and Willard voted yea.

Chairman Bishop in the chair

Representative Bryant offered a motion to report House Bill No. 662 with amendments. Without objection, House Bill No. 662 was reported with amendments by a vote of 10 yeas and 0 nays. Representatives Bishop, Bryant, Farnum, Hughes, McMahan, Mincey, Orgeron, Riser, White, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 7 in support. Witness cards are included in the committee records.

House Bill No. 131 by Representative Coussan

Representative Coussan presented House Bill No. 131, which establishes an income tax credit for donations of property used for research or direct education of students to certain educational institutions.

Representative Riser offered amendments which: (1) authorize the credit to also apply to amounts donated to an educational institutional and utilized to purchase property; (2) require amounts donated

to purchase property to be donated to an established technology fund at the educational institution in order to qualify for the credit authorized in proposed law and require monies in the technology fund to be limited to the purchase of property used exclusively in research, research training, or direct education of students; (3) require the educational institution to furnish a certification of the amount donated and require the donor to attach the certification to the income tax return when claiming the credit; and (4) prohibit credits from being allowed on or after January 1, 2027.

Representative Riser offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 9 yeas and 0 nays. Representatives Bishop, Farnum, Hughes, McMahan, Mincey, Orgeron, Riser, White, and Willard voted yea.

Representative Farnum offered a motion to report House Bill No. 131 with amendments. Without objection, House Bill No. 131 was reported with amendments by a vote of 9 yeas and 0 nays. Representatives Bishop, Bryant, Farnum, McMahan, Mincey, Orgeron, Riser, White, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 1 in support. Witness cards are included in the committee records.

House Bill No. 30 by Representative DeVillier

On behalf of Representative DeVillier, Representative Bishop offered a motion to voluntarily defer action on House Bill No. 30, which reduces the severance tax rate for oil over a certain period of time and fixes the severance tax rate for oil produced from certain wells at the current rate. Without objection, action on House Bill No. 30 was voluntarily deferred by a vote of 9 yeas and 0 nays. Representatives Bishop, Bryant, Farnum, McMahan, Mincey, Orgeron, Riser, White, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 6 in support. Witness cards are included in the committee records.

House Bill No. 160 by Representative DeVillier

On behalf of Representative DeVillier, Representative Bishop offered a motion to voluntarily defer action on House Bill No. 160, which provides for the eligibility for the Angel Investor Tax Credit Program. Without objection, action on House Bill No. 160 was voluntarily deferred by a vote of 9 yeas and 0 nays. Representatives Bishop, Bryant, Farnum, McMahan, Mincey, Orgeron, Riser, White, and Willard voted yea.

House Bill No. 252 by Representative Landry

On behalf of Representative Landry, Representative Bishop offered a motion to voluntarily defer action on House Bill No. 252, which exempts certain beverages from state excise tax. Without objection, action on House Bill No. 252 was voluntarily deferred by a vote of 9 yeas and 0 nays. Representatives Bishop, Bryant, Farnum, McMahan, Mincey, Orgeron, Riser, White, and Willard voted yea.

House Bill No. 301 by Representative Landry

On behalf of Representative Landry, Representative Bishop offered a motion to voluntarily defer action on House Bill No. 301, which establishes an income tax credit for certain funeral and burial expenses for certain pregnancy-related deaths. Without objection, action on House Bill No. 301 was voluntarily deferred by a vote of 9 yeas and 0 nays. Representatives Bishop, Bryant, Farnum, McMahan, Mincey, Orgeron, Riser, White, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 4 in support. Witness cards are included in the committee records.

The committee stood at ease at 10:16 a.m. The committee reconvened at 10:19 a.m.

House Bill No. 525 by Representative Harris

Representative Harris presented House Bill No. 525, which excludes certain products from the excise tax levied on tobacco.

Representative Bishop offered amendments which remove language referencing pharmaceutical grade nicotine from the exclusion. Representative Bishop offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 10 yeas and 0 nays. Representatives Bishop, Bryant, Farnum, Hughes, McMahan, Mincey, Orgeron, Riser, White, and Willard voted yea.

Mr. Larry L. Murray, Swedish Match, 3650 Morning Glory, Baton Rouge, LA 70808, (225) 413-8705, spoke in support of House Bill No. 525.

Mr. Luke Morris, assistant secretary, Louisiana Department of Revenue (DOR), 617 North 3rd Street, Baton Rouge, LA 70802, (225) 219-4059, spoke for information only on House Bill No. 525.

Ms. Ashley Herbert, American Heart Association, 2644 South Sherwood Forest Boulevard, Baton Rouge, LA 70816, (337) 298-1778, spoke in opposition to House Bill No. 525.

Representative Bourriague offered a motion to report House Bill No. 525 with amendments, to which Representative Bryant objected. The administrative assistant called the roll, and House Bill No. 525 was reported with amendments by a vote of 7 yeas and 4 nays. Representatives Bishop, Bourriague, Farnum, McMahan, Mincey, Orgeron, and Riser voted yea. Representatives Bryant, Hughes, White, and Willard voted nay.

Witness cards submitted by individuals who did not speak are as follows: 3 in support and 1 in opposition. Witness cards are included in the committee records.

Statements submitted in accordance with House Rule 14.33 in lieu of appearing before the committee are as follows: 1 in support. Copies of these statements are included in the committee records.

House Bill No. 592 by Representative Hilferty

Representative Hilferty presented House Bill No. 592, which establishes an income tax deduction for certain early childhood care and education expenses.

Representative Riser in the chair

Representative Riser offered a motion to voluntarily defer action on House Bill No. 592. Without objection, action on House Bill No. 592 was voluntarily deferred by a vote of 9 yeas and 0 nays. Representatives Bourriague, Bryant, Farnum, McMahan, Mincey, Orgeron, Riser, White, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 7 in support. Witness cards are included in the committee records.

House Bill No. 613 by Representative Romero

Representative Romero presented House Bill No. 613, which provides for the determination of fair market value for purposes of ad valorem property taxation.

Representative Riser offered a motion to voluntarily defer action on House Bill No. 613. Without objection, action on House Bill No. 613 was voluntarily deferred by a vote of 9 yeas and 0 nays. Representatives Bourriague, Bryant, Farnum, McMahan, Mincey, Orgeron, Riser, White, and Willard voted yea.

House Bill No. 429 by Representative Geymann

Representative Geymann presented House Bill No. 429, which exempts certain sales made by schools from state and local sales and use tax.

Representative Bishop offered amendments which include public elementary and secondary schools to be excluded from state and local sales and use tax for certain sales through third-party vendors. Representative Bishop offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 10 yeas and 0 nays. Representatives Bishop, Bourriaque, Bryant, Farnum, McMahan, Mincey, Orgeron, Riser, White, and Willard voted yea.

Chairman Bishop in the chair

Mr. Luke Morris, assistant secretary, Louisiana Department of Revenue (DOR), 617 North 3rd Street, Baton Rouge, LA 70802, (225) 219-4059, spoke for information only on House Bill No. 429.

Representative Bourriaque offered a motion to report House Bill No. 429 with amendments. After discussion, Representative Bourriaque withdrew the motion.

Representative Bishop offered a motion to voluntarily defer action on House Bill No. 429. Without objection, action on House Bill No. 429 was voluntarily deferred by a vote of 10 yeas and 0 nays. Representatives Bishop, Bourriaque, Bryant, Farnum, McMahan, Mincey, Orgeron, Riser, White, and Willard voted yea.

House Bill No. 355 by Representative Turner

Representative Turner presented House Bill No. 355, which prohibits schools from being members of or participating in athletic competitions sponsored by an association that is not audited by the legislative auditor.

Representative Bourriaque offered a motion to report House Bill No. 355 favorably. Without objection, House Bill No. 355 was reported favorably by a vote of 9 yeas and 0 nays. Representatives Bishop, Bourriaque, Bryant, Farnum, McMahan, Mincey, Orgeron, Riser, and White voted yea.

The committee stood at ease at 11:09 a.m. The committee reconvened at 11:09 a.m.

House Bill No. 424 by Representative McFarland

Representative McFarland presented House Bill No. 424, which establishes an individual income tax deduction for taxpayers who adopt a child from foster care.

Ms. Sarah Zagorski, Louisiana Right to Life, 200 Robert E. Lee Boulevard, New Orleans, LA 70124, (970) 817-1553, spoke in support of House Bill No. 424.

Representative Bishop offered a motion to report House Bill No. 424 favorably. Without objection, House Bill No. 424 was reported favorably by a vote of 9 yeas and 0 nays. Representatives Bishop, Bryant, Farnum, Hughes, McMahan, Orgeron, Riser, White, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 7 in support and 1 for information only. Witness cards are included in the committee records.

House Bill No. 582 by Representative McFarland

Representative McFarland presented House Bill No. 582, which repeals the existing tax on gasoline, diesel, and special fuels and levies a new tax on these motor fuels and an annual tax on electric and hybrid vehicles.

Dr. Shawn Wilson, secretary, Louisiana Department of Transportation and Development (DOTD), 1201 Capitol Access Road, Baton Rouge, LA 70804, (225) 379-1200, spoke for information only on House Bill No. 582.

Representative Bishop offered amendments which: (1) delete repeal of the 16¢ per gallon tax on gasoline, diesel, and special fuels; (2) delete the levy of a new 16¢ per gallon tax on gasoline, diesel, and special fuels; (3) beginning July 1, 2021, dedicate \$120M of the avails of the tax levied on gasoline and diesel in present law into the Construction Subfund of the TTF after all requirements associated with bonds, refunding bonds, and all required and related payments under any interest rate swap agreements secured by the avails of the tax are satisfied; (4) delete the annual tax of \$200 per year levied on each electric vehicle and the annual tax of \$100 per year on each hybrid vehicle operated on state highways which are required to be registered and to pay registration license tax in accordance with present law; and (5) delete provisions requiring the legislative auditor to commence a comprehensive audit of the Dept. of Transportation and Development to review the department's operations, organizational efficiency, and performance in regard to the department's utilization of operating revenues and to review the use of the avails of the taxes deposited into the Construction Subfund of the TTF.

Representative Bishop offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 11 yeas and 0 nays. Representatives Bishop, Beaulieu, Bryant, Farnum, Hughes, McMahan, Mincey, Orgeron, Riser, White, and Willard voted yea.

Representative Bishop offered a motion to voluntarily defer action on House Bill No. 582. Without objection, action on House Bill No. 582 was voluntarily deferred by a vote of 11 yeas and 0 nays. Representatives Bishop, Beaulieu, Bryant, Farnum, Hughes, McMahan, Mincey, Orgeron, Riser, White, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 6 in support, 1 in opposition, and 1 for information only. Witness cards are included in the committee records.

The committee stood at ease at 11:35 a.m. The committee reconvened at 11:38 a.m.

House Bill No. 567 by Representative Jordan

On behalf of Representative Jordan Representative Bishop offered a motion to voluntarily defer action on House Bill No. 567, which repeals the marijuana tax levied on certain dealers and repeals provisions related to tax stamps which evidence payment of tax. Without objection, action on House Bill No. 567 was voluntarily deferred by a vote of 10 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, Bryant, DeVillier, Hughes, McMahan, Mincey, Orgeron, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 1 in support and 1 in opposition. Witness cards are included in the committee records.

IV. OTHER BUSINESS

There was no other business.

V. ANNOUNCEMENTS

Persons who do not feel comfortable giving testimony in person at this time may submit a prepared statement in accordance with House Rule 14.33 in lieu of appearing before the committee:

A. Any interested person or any committee member may file with the committee a prepared statement concerning a specific instrument or matter under consideration by the committee or concerning any matter within the committee's scope of authority, and the committee records shall reflect receipt of such statement and the date and time thereof.

B. Any person who files a prepared statement which contains data or statistical information shall include in such prepared statement sufficient information to identify the source of the data or statistical information. For the purposes of this Paragraph, the term "source" shall mean a publication, website, person, or other source from which the data or statistical information contained in the prepared statement was obtained by the person or persons who prepared the statement.

NOTE: Statements emailed to hwmc@legis.la.gov and received prior to noon on Friday, April 30, 2021, will be distributed to the committee members prior to the meeting.

All persons desiring to participate in the meeting shall utilize appropriate protective health measures and observe the recommended and appropriate social distancing.

VI. ADJOURNMENT

Representative Willard offered a motion to adjourn. Without objection, the motion passed by a vote of 10 yeas and 0 nays. Representatives Bishop, Beaulieu, Bourriaque, Bryant, DeVillier, Hughes, McMahan, Mincey, Orgeron, and Willard voted yea.

The meeting was adjourned at 11:39 a.m.

Respectfully submitted,

Chairman Stuart J. Bishop
House Committee on Ways and Means